


Company No: 05260268

PULSE FILMS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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PULSE FILMS LIMITED

COMPANY INFORMATION

DIRECTORS

B Dixon
H Lokhandwala
L Treat
N Dubuc

COMPANY NUMBER

05260268

COMPANY TYPE

Private company limited by shares

REGISTERED OFFICE

110-122 New North Place
London
EC2A 4JA
United Kingdom

AUDITOR

Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

PULSE FILMS LIMITED

STRATEGIC REPORT

The directors present the Group's Strategic Report for Pulse Films Limited (Company No. 05260268) for the year ended 31 December 2021.

Review of the business

The main focus of the business is to supply the full range of production services in television, advertising, music, film and documentary feature and programme producers as well as investing in programmes where the business retains the intellectual property rights.

Although the United Kingdom has traditionally been the Group's main market with revenue of £29,848,931 for the year ended 31 December 2021 (2020: £66,250,674), its strategic expansion into the United States of America continues to deliver strong results with revenue of £31,855,744 for the year ended 31 December 2021 (2020: £22,373,321). In 2020 we began operating in Italy via our Pulse Films Italia subsidiary, and this year achieved revenue of £1,622,099 (2020: £749,866). In 2020 we also ended our business ventures which had a minority interest.

The key financial and non-financial indicators during the year were as follows:

With reference to the Consolidated Statement of Comprehensive Income on page 11, the Group has reported profit before tax for the year ended 31 December 2021 of £1,672,388 compared with £4,550,175 for year ended 31 December 2020. The Group has reported EBITDA of £1,851,968 compared with £4,787,464 in 2020. Turnover for the year was £63,326,774 compared with £89,373,861 for 2020.

This year's results are not reflective of the continued growth we have seen in our Commercials and Non-Fiction divisions. Commercials in particular saw a 41% increase in revenue and a 48% increase in EBITDA in the year compared with 2020. The overall financial results for last year were driven by our Scripted division and in particular the delivery of our first scripted television series 'Gangs of London'. This year the Scripted department has continued to develop their slate and began production on 'Gangs of London Season 2' which will deliver in Q3 of 2022.

Due to the profit before tax for the year ended 31 December 2021, the total deficit on the Consolidated Statement of Financial Position on page 12 has improved from (£1,890,347) to £207,646 and Cash and cash equivalents has grown from £6,475,457 to £8,255,231.

In addition to the financial performance, Pulse Films continues to receive accolades and critical acclaim from the industry, consistently appearing as one of the top production indies in publication surveys like Campaign and Televisual. In 2021 the company won over 50 awards, including the coveted Grand Prix award and the Emmy award for Outstanding Commercial.

The Group continues to deliver premium documentaries, which have global appeal, offering expectational access to talent both on and offscreen. The ratings smash hit drama series Gangs of London was nominated for a primetime Emmy and won several BAFTAs (Cymru). This fuels us to build on previous success, continuing to develop a robust scripted slate which included the release of theatrical film Pig starring Hollywood's Nicholas Cage

Section 172(1) statement

A director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, taking into account the factors as listed in section 172 of the Companies Act 2006.

Engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. Set out below are our key stakeholder groups, their material issues and how the Company and the Board engage with them. Each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships.

By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group and consider their needs and concerns.

PULSE FILMS LIMITED

STRATEGIC REPORT (Continued)

Stakeholder	Their interests	How we engage	How the Board engages
Strategic Partners / Key Suppliers	<ul style="list-style-type: none"> - Success of the business - Fair trading - Anti-bribery and corruption - Long-term partnerships - Payment terms 	<ul style="list-style-type: none"> - Initial meetings and negotiations - Direct and regular engagement - Building long standing relationships with industry talent such as writers, actors and directors via our Director roster 	<ul style="list-style-type: none"> - Strategic review of key suppliers - Director engagement with key suppliers - Board approval on significant orders and decisions such as the implementation to Covid-19 risk and business management.
Customers	<ul style="list-style-type: none"> - Quality of films & content - Level of service - Public response to productions - Talent and supplier engagement and management - Price and price consistency 	<ul style="list-style-type: none"> - Corporate website and social media - Industry events (in person or virtual) such as the APA Show, Content London and Cannes and Berlin Film Festivals - Awards entry - Relationship building 	<ul style="list-style-type: none"> - Annual report - Stakeholder contacts available on corporate website - Director and senior management engagement with key personnel of customers, through industry events and business meetings
Shareholders	<ul style="list-style-type: none"> - Strategic success of the company - Comprehensive view of financial and sustainable performance of the business - Revenue, EBITDA and cash management 	<ul style="list-style-type: none"> - Regular meetings and calls with parent company - Cross collaboration on projects and department strategy by working with Virtue on several brand campaigns and pitches 	<ul style="list-style-type: none"> - Monthly review meetings covering strategy and current performance - Updates on ongoing projects and pipeline
Employees	<ul style="list-style-type: none"> - Training and development - Working conditions including health and safety - Diversity and inclusion - Fair pay and benefits 	<ul style="list-style-type: none"> - Staff surveys - Regular company meetings and newsletter - HR benefits and pay parity reviews 	<ul style="list-style-type: none"> - Company meetings - HR updates
Industry and regulatory bodies	<ul style="list-style-type: none"> - Compliance with terms and conditions - Crew and talent pay and conditions - Brand reputation - Health & Safety - Diversity, Equity & Inclusion 	<ul style="list-style-type: none"> - Direct engagement with industry bodies - Compliance with industry rules and regulations - Project working groups to interpret and implement new guidance and regulations 	<ul style="list-style-type: none"> - Provide mandates to project groups to address industry issues and ensuring compliance, such as working with PACT, the AICP and the APA.

Community and Environment

Pulse operates several DEI initiatives to improve the representation of minority groups in the industry. Including the Creative Mentor Network scheme, which has seen 4 of our senior executives mentoring 16-24 years olds from diverse backgrounds.

On series two of Gangs of London we received Albert certification by reporting carbon measurements within the criteria for certification. We plan to meet these same requirements for future Scripted productions.

Future Developments

Looking ahead to 2022, we have seen continued recovery and growth in our advertising and music divisions that were most affected during the restrictions in 2020. The Group has been able to continue developing our scripted slate and build on the TV and documentary productions successfully without any impact from Covid-19. As a result, the Group does not foresee any material financial impact from further restrictions or lockdowns, which has been taken into account for the going concern assessment.

Management continues to execute the business's strategic plan of maintaining a steady growth in our Commercials and Non-Fiction divisions, whilst focusing on growing our Scripted division through investment in projects where we retain the IP or where there are strong returns. These remain a priority, and will help build a more diverse pipeline with multiple revenue distribution streams for content.

Principal risks and uncertainties

The directors review the principal risks and uncertainties, which are set out in the Directors' Report on page 5 on a regular basis and ensure systems and policies are continuously updated to reflect any changes.

Approved by the board of directors and signed on behalf of the board by:



B Dixon
Director

20th March 2023

PULSE FILMS LIMITED

DIRECTORS' REPORT

The directors' present the Group's Annual Report and financial statements for Pulse Films Limited for the year ended 31 December 2021.

Principal activities

The principal activity of the Group and the Company during the year continued to be that of television, motion picture and video production.

A review of the business, principal risks and uncertainties, future developments and key performance indicators are presented within the Strategic Report on pages 2 - 4.

Results and dividends

The trading results for the year and the Group and Company's financial position at the year-end are shown in the attached financial statements.

The directors did not approve any dividends in the year (2020: £Nil).

No dividends were proposed, declared or paid after the year-end, up to the date of approval of the financial statements.

Directors

The directors who served throughout the year, except as noted, and up to the date of this report were:

H Lokhandwala
L Treat
N Dubuc
B Dixon (Appointed 8th March 2022)
H Simon (Resigned 8th March 2022)
T Benski (Resigned 9th December 2021)
M E Clifford (Resigned 9th December 2021)

Directors' qualifying third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

The financial statements have been prepared on a going concern basis. In making this assessment, the Directors note that the Pulse Films group was profitable and had positive net assets as at 31 December 2021. We draw attention to further detail described in note 1.5 to these financial statements describing a material uncertainty that exists that may cast significant doubt on the Company's ability to continue as a going concern in relation to repayment of a credit facility at the ultimate parent company level which is due within 12 months of the approval of these financial statements.

Donations

The Group did not make any political donations during the year (2020: £nil). Charitable donations of £1,306 were made in 2021 (2020: £15,165).

Streamlined energy and carbon (SECR) reporting

None of the UK entities that form part of the Group fall within scope of the SECR reporting requirements due to the fact that no UK subsidiary individually meets the definition of a large company under the Companies Act 2006 definition. The parent company, *Pulse Films Limited*, is also out of scope for SECR reporting requirements. As a result, no disclosure is provided in the Group financial statements.

PULSE FILMS LIMITED

DIRECTORS' REPORT

Financial risk management

The Group has established a risk and financial management framework. The primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at business unit level. The Group has exposure to three main areas of financial risk, being credit risk, liquidity risk and foreign exchange risk:

Credit risk

The Group has a significant and diverse customer base, ranging from large networks to individual producers. This, combined with stringent credit checks and the implementation of further safeguards, where necessary, minimises credit risk.

Liquidity risk

Cash flows are monitored to maintain the Group's cash flow and mitigate liquidity risk. The Group has access to funds from its parent company if required, to ensure that the Group has sufficient resources available to support its operations.

Foreign exchange risk

The Group's principal foreign exchange risk arises from its operations. Following evaluation of these risks, the Group selectively enters into foreign exchange contracts to manage exposure. The Group reviews its existing contracts and activities to ensure foreign exchange risks are identified, assessed, monitored and are within risk tolerance.

Other non-financial risks

Competition risk

The market for production services is intensely competitive and can be subject to rapid change. The Group competes against other production companies and content creation companies for both client and externally acquired intellectual property.

Political and legal risk

The company continues to monitor the consequences of the vote to leave the European Union along with other political, economics and international trade-related risks.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish such information has been communicated to the auditor. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Companies (Miscellaneous Reporting) Regulations 2018

The directors are required to summarise how they have engaged with suppliers, customers and others in a business relationship with the Company. The directors have included this information in the strategic report, within the Section 172 statement.

Approved by the board of directors and signed on behalf of the board.



B Dixon
Director

20th March 2023

PULSE FILMS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PULSE FILMS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

In our opinion the financial statements of Pulse Films Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the company statement of financial position;
- the consolidated statement of changes in equity;
- the company statement of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 26

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.5 in the financial statements, which indicates that there is a material uncertainty present in relation to the repayment of a group credit facility at the ultimate parent company level in May 2023. As stated in note 1.5, these events or conditions, along with the other matters as set forth in note 1.5, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the group's annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PULSE FILMS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the cut off and incorrect deferral of revenue, and our specific procedures performed to address it are described below;

- Perform design and implementation testing of the recognition of revenue and assessment of the accounting of revenue; and
- Sample revenue, accrued and deferred revenue, gaining an understanding of each project's delivery and conclude on whether revenue recognised on contracts spanning the year end were correctly recorded between reporting periods.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PULSE FILMS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sandy Sullivan

Sandy Sullivan, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
20th March 2023

PULSE FILMS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Revenue	2	63,326,774	89,373,861
Cost of sales		(52,915,526)	(75,782,248)
Gross profit		<u>10,411,248</u>	<u>13,591,613</u>
Other operating expenses		(8,649,310)	(8,925,550)
Other grant income		-	37,820
Operating profit	5	<u>1,761,938</u>	<u>4,703,883</u>
Share of operating loss in jointly controlled entities	3	(225)	-
Finance costs	4	(89,325)	(153,708)
Profit before tax		<u>1,672,388</u>	<u>4,550,175</u>
Income tax charge	8	305,306	(285,983)
Profit for the financial year		<u>1,977,694</u>	<u>4,264,192</u>
<i>Other comprehensive income net of tax effects</i>			
Currency translation differences		120,299	550
Total comprehensive income for the year		<u><u>2,097,993</u></u>	<u><u>4,264,742</u></u>
Profit for the year attributable to:			
Owners of the parent		1,977,694	3,881,919
Non-controlling interests		-	382,273
Profit for the year		<u><u>1,977,694</u></u>	<u><u>4,264,192</u></u>
Total comprehensive income for the year attributable to:			
Owners of the parent		2,097,993	3,882,469
Non-controlling interests		-	382,273
Total comprehensive profit for the year		<u><u>2,097,993</u></u>	<u><u>4,264,742</u></u>

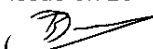
PULSE FILMS LIMITED

(Company Number: 05260268)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2021**

	Notes	31 December 2021 £	31 December 2020 £
ASSETS			
Non-current assets			
Goodwill	9	63,616	78,584
Other intangible assets	10	479,924	590,571
Total intangible assets		543,540	669,155
Property, plant and equipment	11	44,943	75,326
Investments in jointly controlled entities	3	-	225
Other receivables	15	-	-
		588,483	744,706
Current assets			
Inventories	14	1,826,220	1,185,140
Trade and other receivables	15	53,896,766	13,583,929
Corporation Tax Receivable		409,200	-
Cash and cash equivalents		8,255,231	6,475,457
		64,387,417	21,244,526
TOTAL ASSETS		64,975,900	21,989,232
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	19	2,052	2,052
Share premium account	19	2,581,635	2,581,635
Capital redemption reserve	19	73	73
Translation reserve	19	(203,017)	(323,316)
Profit and loss account	19	(2,173,097)	(4,150,791)
Attributable to owners of the parent		207,646	(1,890,347)
Attributable to non-controlling interests		-	-
TOTAL DEFICIT		207,646	(1,890,347)
Non Current liabilities			
Loans	17	3,673,209	-
Current liabilities			
Trade and other payables	16	53,575,989	21,178,771
Loans	17	7,519,056	2,700,808
TOTAL LIABILITIES		64,768,254	23,879,579
TOTAL EQUITY AND LIABILITIES		64,975,900	21,989,232

The financial statements on pages 11 to 41 were approved by the board of directors and authorised for issue on 20th March 2023 and are signed on its behalf by:



B Dixon
Director

PULSE FILMS LIMITED

(Company Number: 05260268)

COMPANY STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2021**

	Notes	31 December 2021 £	31 December 2020 £
ASSETS			
Non-current assets			
Other intangible assets	10	479,924	590,571
Property, plant and equipment	11	28,203	51,366
Investments	12	41,548	15,002
		<u>549,675</u>	<u>656,939</u>
Current assets			
Inventories	14	1,708,157	1,089,565
Trade and other receivables	15	9,132,908	5,679,315
Corporation Tax Receivable		390,191	-
Cash and cash equivalents		46,837	50,396
		<u>11,278,093</u>	<u>6,819,276</u>
TOTAL ASSETS		<u><u>11,827,768</u></u>	<u><u>7,476,215</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	19	2,052	2,052
Share premium account	19	2,581,635	2,581,635
Capital redemption reserve	19	73	73
Profit and loss account	19	(4,361,977)	(6,467,431)
TOTAL DEFICIT		<u><u>(1,778,217)</u></u>	<u><u>(3,883,671)</u></u>
Non-current liabilities			
Loans	17	3,673,209	-
Current liabilities			
Trade and other payables	16	9,932,776	9,178,132
Loans	17	-	2,181,752
TOTAL LIABILITIES		<u><u>13,605,985</u></u>	<u><u>11,359,886</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>11,827,768</u></u>	<u><u>7,476,215</u></u>

As referenced in note 1.3 and permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit and total comprehensive income for the year was £1,780,883 (2020 £903,518).

The financial statements on pages 11 to 41 were approved by the board of directors and authorised for issue on 20th March 2023 and are signed on its behalf by:



B Dixon
Director

PULSE FILMS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Share premium £	Capital redemption reserve £	Translation reserve £	Profit and loss account £	Non-controlling interest £	Total £
Balance at 1 January 2020	2,052	2,581,635	73	(329,592)	(7,984,335)	(376,547)	(6,106,714)
Profit for the year	-	-	-	-	3,881,919	382,273	4,264,192
Other comprehensive income: Currency translation differences on overseas subsidiaries	-	-	-	6,276	-	(5,726)	550
Total comprehensive income for the year	-	-	-	6,276	3,881,919	376,547	4,264,742
Share Based Payment (Note 23)	-	-	-	-	(48,375)	-	(48,375)
Balance at 31 December 2020	2,052	2,581,635	73	(323,316)	(4,150,791)	-	(1,890,347)
Profit for the year	-	-	-	-	1,977,694	-	1,977,694
Other comprehensive income: Currency translation differences on overseas subsidiaries	-	-	-	120,299	-	-	120,299
Total comprehensive income for the year	-	-	-	120,299	1,977,694	-	2,097,993
Share Based Payment (Note 23)	-	-	-	-	-	-	-
Balance at 31 December 2021	2,052	2,581,635	73	(203,017)	(2,173,097)	-	207,646

PULSE FILMS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
Balance at 1 January 2020	2,052	2,581,635	73	(7,322,574)	(4,738,814)
Profit and total comprehensive income for the year	-	-	-	903,518	903,518
Share Based Payment (Note 23)	-	-	-	(48,375)	(48,375)
Balance at 31 December 2020	2,052	2,581,635	73	(6,467,431)	(3,883,671)
Profit and total comprehensive income for the year	-	-	-	2,105,454	2,105,454
Share Based Payment (Note 23)	-	-	-	-	-
Balance at 31 December 2021	2,052	2,581,635	73	(4,361,977)	(1,778,217)

PULSE FILMS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Operating activities			
Cash (used in) / generated from operations	20	(6,718,260)	12,357,716
Interest income received		570	35,391
Income tax		(19,264)	-
Net cash (used in) / generated from operating activities		(6,736,954)	12,393,107
Investing activities			
Purchase of intangible assets		-	(101,685)
Purchase of tangible fixed assets		(5,358)	(62,678)
Proceeds from disposal of tangible fixed assets		-	61,726
Proceeds from JV investments		225	-
Net cash used in investing activities		(5,133)	(102,637)
Financing activities			
Proceeds of borrowing		8,491,457	-
Repayment of bank loan		-	(10,401,488)
Finance costs paid		(89,895)	(189,099)
Net cash provided by / (used in) financing activities		8,401,562	(10,590,587)
Net increase in cash and cash equivalents		1,659,475	1,699,883
Movement in foreign exchange		120,299	550
Cash and cash equivalents at 1 January		6,475,457	4,775,024
Cash and cash equivalents at 31 December		8,255,231	6,475,457
Relating to:			
Bank balances and short-term deposits included in cash at bank and in hand		7,366,002	6,475,457
Restricted bank deposits		889,229	-
		8,255,231	6,475,457

At 31 December 2021 £889,229 (2020: £nil) of the Group's cash balances are restricted for use on a production project due to an agreement with the customer.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

Company information

Pulse Films Limited is a company limited by shares and domiciled and incorporated in England. The address of the Company's registered office is 110-122 New North Place, London, EC2A 4JA, United Kingdom.

The Group consists of Pulse Films Limited and all of its subsidiaries. The principal activity of the Group and the Company during the year continued to be that of television, motion picture and video production.

1.1. Basis of preparation of financial statements

The Company and Group financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

1.2. Reduced disclosure

In accordance with FRS 102, the Company in its individual accounts, has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and transactions with wholly-owned subsidiaries

In accordance with FRS102, the Group and Company have elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' to the extent applicable, to all of its financial instruments.

The Group and Company have taken the transition exemption detailed in section 35.10 of FRS102 whereby the Group and Company can continue to apply FRS20 in relation to equity instruments that were granted before the date of transition.

The financial statements of the Company are consolidated within these financial statements which are publicly available from the Companies House.

1.3. Company statement of comprehensive income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit and total comprehensive income for the year was £1,780,883 (2020 £903,518).

1.4. Basis of consolidation

The consolidated financial statements incorporate those of Pulse Films Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Their results are incorporated from the date that control passes. All financial statements are prepared up to 31 December 2021.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.5. Going concern

The financial statements have been prepared on a going concern basis. In making this assessment, the Directors note that the Pulse group was profitable and had positive net assets as at 31 December 2021. Having made enquiries of the business and prepared cash flow forecasts, taking all related risks into account, for the period up to March 2024, these forecasts taken alongside the Company balance sheet indicates that the Pulse Films Limited company and group headed by it will continue to trade profitably and generate positive cashflows for a period of no less than 12 months from the date of approval of these financial statements.

In their further assessment of Going Concern, the Directors note that Pulse Films Limited has an unrestricted cash pooling facility operated by the Vice Media group (headed by Vice Group Holding Inc). Vice Group Holding Inc ("the Group") holds a credit agreement pursuant to which the Company and several fellow UK subsidiaries are guarantors. The credit agreement is subject to certain financial and non-financial covenants and the maximum possible exposure to the Company and its fellow subsidiaries under the credit agreement is US\$419m. The Directors note that this credit facility held by Vice Group Holding Inc was due to be fully repaid in December 2022. The Group has reached agreement with the lenders, under which the Group are required to undertake specified actions in exchange for repaying the facility in May 2023, which is within our 12-month going concern look out period. Due to the nature of the forbearance arrangement and requirements thereunder, this indicates there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not contain the adjustments that would result if the Company was unable to continue as a going concern.

1.6. Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

1.7. Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

1.8. Revenue

Revenue represents amounts receivable for work carried out in respect of television, motion picture and video productions and related projects in line with the Company's principal activities. Revenue and gross profit are recognised over the period of the production activities, considering the stage of completion and in accordance with underlying contracts. Overages on production costs are recognised as they arise and underages once identified, are recognised in line with the percentage of completion.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.9. Government Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

1.10. Intangible fixed assets - goodwill

Goodwill is capitalised and written off over 10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits. The directors monitor goodwill for indicators of impairment and a provision is made for such impairment if necessary.

1.11. Intangible fixed assets other than goodwill

Development expenditure on television and motion picture projects is carried forward when the Directors are satisfied as to the technical, commercial and financial viability of individual projects. Capitalised development costs are included within intangible fixed assets and amortised over the anticipated life of the project from the time that the project is ready for use within the business, in line with revenue generated from the related project. Provision is made for any impairment. All research and other development costs are written off as incurred.

Other intangible assets are amortised to the profit or loss on a straight-line basis over their useful lives, as follows:

Computer software	33% straight line
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1.12. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows: -

Leasehold improvements	20% straight line
Fixtures, fittings and equipment	25% straight line
Office equipment	25% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

1.13. Impairment of non-current assets

An assessment is made at each reporting date of whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of non-current assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.13. Impairment of non-current assets (Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

1.14. Investments

In the separate accounts of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.15. Inventories

Inventories represent work in progress on television and motion picture projects. Costs are generally pre-production costs and are included as work in progress when the following conditions have been met: (a) either the project has been commissioned or there is a strong indication that it will be; (b) the project is expected to complete in the future. Other pre-productions costs are written off to the statement of comprehensive income. Work in progress is valued at the lower of cost and net realisable value.

1.16. Deferred Expenses

Production project costs are recorded in line with our revenue recognition policy and where revenue relates to a later period, the costs are deferred and will be released to the Statement of Comprehensive Income when the revenue for the project is recognised.

1.17. Jointly controlled entities

Joint controlled entities are entities in which the Group hold a long-term interest and shares control under a contractual arrangement. These investments are dealt with by the gross equity method of accounting. Provision is made within payables where the Group's share of a jointly controlled entity's loss exceeds the Group's funding to date.

1.18. Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.18. Taxation (Continued)

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.19. Leases

Operating leases and the annual rentals are charged to profit or loss on a straight-line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

1.20. Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible asset or as property, plant and equipment.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.21. Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1.22. Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.22. Share based payments (Continued)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where the options are cancelled, the charge over the remaining vesting period is accelerated and recognised immediately in the Statement of Comprehensive Income with a corresponding entry to equity. Where share options are repurchased, any excess consideration paid over and above the fair value of the equity instruments, any excess consideration paid over and above the fair value of the equity instruments granted at the repurchase date is recognised as a deduction from equity in Other Comprehensive Income.

The Group recognises and measures its share based payments based on a reasonable allocation of the employee's period of service to the Group.

1.23. Cash

Restricted cash is presented separately on the statement of cash flow.

1.24. Financial instruments

The Group and company have elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, to the extent applicable, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Receivables

Trade and other receivables which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of receivables is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity instruments

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.24. Financial instruments (Continued)

Payables

Trade and other payables within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.25. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Group's accounting policies

There are no areas identified for which there are major sources of critical judgements at the reporting period end.

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition

Estimates are necessary in the evaluation of contractual performance. The Company is required to make an estimate of the project completion and profitability levels in respect of contracts which straddle the year end for revenue recognition purposes. This involves a level of judgement and therefore differences may arise between the actual and estimated result.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

1.25. Critical accounting estimates and areas of judgement (Continued)

Impairment of non-current assets

Non-current assets are material to the group Statement of Financial Position. In concluding they are not impaired management has considered the maturity of the business, indicators of impairment and the expected performance of the group in future years.

2. Revenue

All the Group's revenue for the year has been derived from its principal activity of the supply of production services.

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Revenue	63,326,774	89,373,861
	<u>63,326,774</u>	<u>89,373,861</u>

An analysis of the geographical location of the Group's revenue is as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
UK	29,848,931	66,250,674
USA	31,855,744	22,373,321
Europe	1,622,099	749,866
	<u>63,326,774</u>	<u>89,373,861</u>

3. Jointly controlled entities

The following represents the Company's movement in its investments in its Jointly Controlled Entities:

	American Honey £	Total £
Investment balance		
At 1 January 2021	225	225
Result after tax	(225)	(225)
At 31 December 2021	<u>-</u>	<u>-</u>

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. Jointly controlled entities (Continued)

The following represents the Group's share of its jointly controlled entities' results in 2021:

	American Honey £	Total £
Revenue	-	-
Result after tax	(225)	(225)

The following represents the Group's share of its jointly controlled entities' results in 2020:

	American Honey £	Total £
Revenue	-	-
Result after tax	-	-

The following represents the Group's share of its jointly controlled entities' assets and liabilities at 31 December 2021:

	American Honey £	Total £
Current assets	-	-
Current liabilities	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The following represents the Group's share of its jointly controlled entities' assets and liabilities at 31 December 2020:

	American Honey £	Total £
Current assets	11,881	11,881
Current liabilities	(11,656)	(11,656)
	<u>225</u>	<u>225</u>
	<u>225</u>	<u>225</u>

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

4. Net finance costs

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Net finance costs	89,325	153,708
	<u>89,325</u>	<u>153,708</u>

The net finance costs include £86,022 of interest relating to group undertakings (note 17). There was no interest on bank loans or overdrafts charged in the year.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. Operating profit

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation of owned tangible fixed assets	35,382	43,428
Amortisation	54,648	40,155
Loss on disposal of fixed assets	359	1,079
Foreign exchange losses	7,516	1,200,449
Operating lease rentals:		
Land and buildings	-	105,610
	<u> </u>	<u> </u>

Amounts payable to our auditor were as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Audit services – Audit of statutory accounts	136,500	130,000
	<u>136,500</u>	<u>130,000</u>

6. Directors' remuneration

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Remuneration for qualifying services	958,404	716,495
Pension costs	22,041	16,402
	<u>980,445</u>	<u>732,897</u>

There were 2 directors accruing benefits in a defined contribution pension scheme during the year (2020: 2).

The directors' remuneration disclosed above includes amounts paid to the highest paid director of £582,892 (2020: £411,503).

All of the Directors are also Directors of the immediate or ultimate parent undertakings and are either remunerated by the immediate or the ultimate parent undertaking and do not have qualifying services in respect of Pulse Films Limited.

The highest paid director did not exercise any share options during the current financial year and no shares were received or receivable in respect of qualifying services under a long-term incentive scheme.

There are no other key management other than the directors.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

7. Employees

Group

The average monthly number of employees (including directors) employed by the Group during the year were:

	Year ended 31 December 2021 No.	Year ended 31 December 2020 No.
Management and administration	24	24
Production	58	57
	<u>82</u>	<u>81</u>
	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Staff costs for the above persons:		
Wages and salaries	5,594,326	4,815,418
Social security costs	587,522	538,310
Pension costs	217,723	176,909
	<u>6,399,572</u>	<u>5,530,637</u>

Company

The average monthly number of employees (including directors) employed by the Company during the year were:

	Year ended 31 December 2021 No.	Year ended 31 December 2020 No.
Management and administration	20	20
Production	47	45
	<u>67</u>	<u>65</u>
	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Staff costs for the above persons:		
Wages and salaries	4,074,311	3,438,414
Social security costs	484,863	429,309
Pension costs	170,723	155,222
	<u>4,729,897</u>	<u>4,022,945</u>

Staff costs include an amount received of £- (2020: £37,820) relating to the Coronavirus Job Retention Scheme. Wages and salaries include bonus.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

8. Income tax expense

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Current tax:		
UK corporation tax	(324,570)	(75,052)
Foreign Corporation tax	19,264	35
Total current tax	(305,306)	(75,017)
Deferred tax:		
Origination and reversal of timing differences on fixed assets	-	361,000
Tax losses carried forward	-	-
Total deferred tax	-	361,000
Tax charge/ (credit)	(305,306)	285,983
Factors affecting the tax charge for the year:		
Profit/(loss) before tax	1,672,388	4,550,175
Profit/(loss) for the financial year multiplied by the standard rate of Corporation tax in the UK of 19% (2019: 19%)	317,754	864,533
Effects of:		
Expenses not deductible for tax purposes	20,951	18,008
Difference between capital allowances and depreciation	7,540	(16,019)
Utilisation of unrecognised losses brought forward	(366,530)	(638,500)
Income not taxable		(9,191)
Creative industry tax credit adjustment	(324,570)	(75,012)
Adjustments to tax charges in respect of previous periods		(8,309)
Deferred tax not recognised	39,549	150,473
Tax charge (credit)	(305,306)	285,983

Per the Finance Act the main rate of UK corporation tax is going to increase from 19% to 25% from 1 April 2023. As at 31 December 2021, it has also been substantively enacted that a small-profits rate will also apply from that date reducing tax for profits up to £250k to a minimum of 19%. These changes were substantively enacted on 24 May 2021, prior to the reporting date, and are reflected in the recognition of deferred tax in these financial statements.

Tax losses totalling approximately £4,544,152 (2020: £6,501,717) for the company and £12,723,940 for the group (2020: £17,700,314) are available to carry forward against future taxable profit and are unrecognised. There is no expiry date on unused tax losses.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

9. Intangible assets - Goodwill

Group	Goodwill £
Cost:	
At 1 January 2021	149,684
At 31 December 2021	<u>149,684</u>
Amortisation:	
At 1 January 2021	71,100
Charge for the year	<u>14,968</u>
At 31 December 2021	<u>86,068</u>
Net book value:	
At 31 December 2020	78,584
At 31 December 2021	<u><u>63,616</u></u>

Goodwill has arisen on the acquisition of a former jointly controlled entity, Victor Papa, in March 2016. Following this acquisition, Victor Papa's name was changed to Golden Heart LLC.

10. Other intangible assets

Group and company	Development costs £	Software costs £	Total £
Cost:			
At 1 January 2021	511,529	292,570	804,099
Additions	-	-	-
Disposals	-	(29,228)	(29,228)
Released to Cost of Sales	(70,967)	-	(70,967)
At 31 December 2021	<u>440,562</u>	<u>263,342</u>	<u>703,904</u>
Amortisation:			
At 1 January 2021	-	213,528	213,528
Charge for the year	-	39,680	39,680
Disposals	-	(29,228)	(29,228)
At 31 December 2021	-	<u>223,980</u>	<u>223,980</u>
Net book value:			
At 31 December 2020	511,529	79,042	590,571
At 31 December 2021	<u><u>440,562</u></u>	<u><u>39,362</u></u>	<u><u>479,924</u></u>

The amortisation charge for the year is recognised within other operating expenses in the Consolidated Statement of Comprehensive Income.

Included in the carrying value of development costs are the capitalised costs in respect of internally developed television and motion picture projects. Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss. The development costs are amortised from the point at which the asset is ready for use within the business. When a production is commissioned, development costs are transferred to the ongoing project expenses which are recognised alongside other costs associated with the production.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

11. Property, plant and equipment

Group	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost:				
At 1 January 2021	1,039	37,918	246,813	285,770
Additions	-	758	4,600	5,358
Disposals	-	(6,546)	(83,636)	(90,182)
At 31 December 2021	1,039	32,130	167,777	200,946
Depreciation:				
At 1 January 2021	317	18,144	191,983	210,444
Charge for the year	277	8,949	26,156	35,382
Disposals	-	(6,353)	(83,470)	(89,823)
At 31 December 2021	594	20,740	134,669	156,003
Net book value:				
At 31 December 2020	722	19,774	54,830	75,326
At 31 December 2021	445	11,390	33,108	44,943

Company	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost:				
At 1 January 2021	1,015	20,435	229,152	250,602
Additions	-	555	1,211	1,766
Disposals	-	(6,546)	(83,636)	(90,182)
At 31 December 2021	1,015	14,444	146,727	162,186
Depreciation:				
At 1 January 2021	317	13,499	185,420	199,236
Charge for the year	254	3,193	21,482	24,929
Disposals	-	(6,546)	(83,636)	(90,182)
At 31 December 2021	571	10,146	123,266	133,983
Net book value:				
At 31 December 2020	698	6,936	43,732	51,366
At 31 December 2021	444	4,298	23,461	28,203

The company holds fully depreciated fixed assets under fixtures & fittings with cost totalling £3,952 (2020: £8,698), and under office equipment with cost totalling £84,680 (2020: £138,309).

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

12. Investments

Company	Shares in group undertakings £
Cost	
At 1 January 2021	15,002
New investments	<u>26,546</u>
At 31 December 2021	41,548

The investments refer to the share capital issued for incorporated special purpose vehicles for specific film productions.

13. Subsidiary undertakings

The Company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	% Ordinary shares held	Activities
Clifford Benski Inc. <i>Registered office: 11601 Wilshire Blvd., Suite 1840, Los Angeles, CA 90025</i>	USA	100%	Television production
Pulse Italia S.R.L. <i>Registered office: Via Giacomo Watt, 32, 20143 Milano, Italia</i>	Italy	100%	Production company
American Honey LLC <i>Registered office: 2711 Centerville Road, Suite 400, Wilmington, DE 19808</i>	USA	50%	Film production
Pulse (Fly Away) Limited	UK	100%	Dormant
XY Chelsea Limited	UK	100%	Film production
Rude Boy Limited	UK	100%	Film production
Mughal Mowgli Limited	UK	100%	Film production
Mughal Mowgli Distribution Limited	UK	100%	Film distribution
London Tribes Limited	UK	100%	Dormant
GOL Production Limited	UK	100%	Film production
Faith Healing Limited	UK	100%	Dormant
Wilderness Interactive Works Limited	UK	100%	Dormant
American Honey Limited	UK	50%	Dormant
Calendar Media Limited	UK	100%	Dormant
East Entertainment Limited	UK	100%	Dormant
Pulse Blur Limited	UK	100%	Dormant
Pulse Films (Dogumentary) Limited	UK	100%	Dormant
Pulse Films (Show Business) Limited	UK	100%	Dormant
Pulse Films SPV1 Limited	UK	100%	Dormant
Pulse Films SPV2 Limited	UK	100%	Dormant
Pulse Films SPV4 Limited	UK	100%	Dormant
One More Time with Feeling Limited	UK	100%	Dormant
Pulse A.I. Films Limited	UK	51%	Film production
Stealth Pulse Limited	UK	50%	Dormant
MMITB Production Limited	UK	100%	Film production
Lawand Film Limited	UK	100%	Film production
Pulse Films LC Productions Limited	UK	100%	Film production
Pulse Films London 2 Limited	UK	100%	Film production
<i>Registered office: Stapleton House, 3rd Floor, 29-33 Scrutton Street, London, EC2A 4HU</i>			
Pulse Commercials LLC	USA	100%	Film production
Golden Heart Films LLC	USA	100%	Film production

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

13. Subsidiary Undertakings (Continued)

Jolly Farmer LLC	USA	100%	Film production
Truffle Road LLC	USA	100%	Film production
Eagle Productions LLC	USA	100%	Film production
Dance Saves Lives LLC	USA	100%	Film production
Sunny Spot Productions LLC	USA	100%	Film Production
Hanbury Productions LLC	USA	100%	Dormant
Registered office: 1645 Electric Avenue, Venice, CA 90291			

14. Inventories

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£	£	£	£
Development expenditure	1,826,220	1,185,140	1,708,157	1,089,565

15. Trade and other receivables

Current	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	6,280,451	6,980,471	3,527,291	1,711,813
Amounts due from group undertakings	2,336,646	-	1,782,192	1,976,259
VAT	455,413	-	-	-
Other receivables	748,435	641,386	350,558	529,802
Prepayments and accrued income	8,072,205	5,950,963	3,472,287	1,461,441
Deferred expenses	36,003,616	11,379	580	-
	53,896,766	13,583,929	9,132,908	5,679,315

Please refer to Note 24 for the terms and conditions of transactions with related parties.

16. Trade and other payables

Current	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£	£	£	£
Trade payables	4,625,678	3,669,865	2,363,506	1,340,785
Amounts due to group undertakings	-	271,949	-	-
Other taxation and social security	597,436	204,127	202,592	175,408
VAT	-	136,331	288,046	1,120,825
Other payables	119,300	217,736	165,848	100,007
Accruals and deferred income	48,233,575	16,678,763	6,912,784	6,441,108
	53,575,989	21,178,771	9,932,776	9,178,133

Please refer to Note 24 for the terms and conditions of transactions with related parties.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

17. Loans

Current

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£	£	£	£
Loans owed to group undertakings	-	2,181,752	-	2,181,752
Bank loan	7,000,000	-	-	-
Other	519,056	519,056	-	-
	<u>7,519,056</u>	<u>2,700,808</u>	<u>-</u>	<u>2,181,752</u>

Non-Current

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£	£	£	£
Loans owed to group undertakings	3,673,209	-	3,673,209	-
	<u>3,673,209</u>	<u>-</u>	<u>3,673,209</u>	<u>-</u>

In 2018, the company entered into a cash concentration agreement with Vice Group Holding Limited and Vice Europe Holding Limited. In 2021, £76,751 of interest was paid and £9,271 accrued on amounts owed relating to this agreement (2020: £183,500 paid and £5,599 accrued). Interest is paid monthly at 2.2% above the Bank of England base rate.

In the year, a bank loan was entered into with interest charged monthly at 1.5%. The original £7 million borrowed was fully repaid in 2022 following payment of the interim tax credit claim that it was secured against.

In 2019, a loan with a film financier was entered into. This has been fully repaid in 2022 following delivery of the film project. Interest accrued at 4.6% above the Bank of England base rate.

18. Financial instruments

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£	£	£	£
Financial Assets:				
Debt instruments measured at amortised cost	15,284,116	14,097,538	3,966,232	2,307,013
	<u>15,284,116</u>	<u>14,097,538</u>	<u>3,966,232</u>	<u>2,307,013</u>
Financial Liabilities:				
Measured at amortised Cost	13,600,595	6,860,358	4,420,371	1,646,285
	<u>13,600,595</u>	<u>6,860,358</u>	<u>4,420,371</u>	<u>1,646,285</u>

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

19. Share capital and reserves

Share capital	31 December 2021 £	31 December 2020 £
Allotted, called up and fully paid:		
194,821 Ordinary shares of 1p each	1,948	1,948
10,382 Ordinary deferred shares of 1p each	104	104
	<u>2,052</u>	<u>2,052</u>

Ordinary share rights

The Company's Ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the Company.

Ordinary deferred share rights

The Company's Ordinary deferred shares do not carry any right to attend or vote at general meetings of the Company. No dividends shall be paid to the holders of Ordinary deferred shares, and they rank below Ordinary shareholders in distribution of the assets on the Company upon winding up.

Reserves

Reserves of the Company represent the following:

Share premium

Consideration received for shares issued above their nominal value, net of transaction costs.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased and still held at the end of the reporting period.

Translation reserve

The translation reserve represents foreign exchange gains and losses on the retranslation of the results and net assets of the Company's foreign subsidiaries.

Retained earnings (profit and loss account)

Cumulative profit and loss net of distributions to owners.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

20. Cash flow statement

Reconciliation of profit to cash generated from operations:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Group		
Profit for the year after tax	1,977,696	4,264,192
Adjustments for:		
Net finance costs	89,325	153,708
Amortisation of intangible assets	54,648	40,155
Depreciation of tangible fixed assets	35,382	43,428
Loss on disposal of tangible fixed assets	359	1,079
Tax (credit)/charge	(305,306)	285,983
Share based payment charge/(credit)	-	(48,375)
	<u>1,852,104</u>	<u>4,740,720</u>
Movements in working capital:		
Increase in inventories	(641,080)	(213,481)
(Increase)/decrease in trade and other receivables	(40,331,846)	20,060,239
Increase/(decrease) in trade and other payables	32,331,595	(12,760,737)
Transfer of intangible assets to cost of sales/ deferred expenses	70,967	530,885
Cash (used in) / generated from operations	<u>(6,718,260)</u>	<u>12,357,716</u>

Net debt reconciliation:

	1 January 2021 £	Cash flows £	Acquisiti ons and Disposal s £	New finance leases £	Other non-cash changes £	Changes in market value and exchange rates £	31 December 2021 £
Cash at bank & in hand	6,475,457	1,779,774	-	-	-	-	8,255,231
Other	(519,056)		-	-	-	-	(519,056)
Bank loans	-	(7,000,000)	-	-	-	-	(7,000,000)
Loans owed to group undertakings	(2,181,752)	(1,491,457)	-	-	-	-	(3,673,209)
Net debt	<u>3,774,649</u>	<u>(6,711,683)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,937,034)</u>

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

21. Commitments

Operating lease commitments

At 31 December 2021 the Group and Company had no outstanding commitments for future minimum lease payments under non-cancellable operating leases (2020: £-)

Lease payments recognised in the year to expense totalled £- (2020: £105,610).

22. Retirement benefits

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

	31 December 2021 £	31 December 2020 £
Contributions payable by the Group for the year	212,151	192,004

At the year end the outstanding pension contributions, included in other creditors, were £36,182 (2020: £38,576).

23. Share based payments

In 2017, several employees of Pulse Films Limited were granted stock options from the long-term incentive plan of its ultimate parent company, Vice Group Holding Inc. Option awards are granted with an exercise price equal to or above the fair value of the stock at the date of grant as determined by the Board of Directors.

Options vest annually and have the following vesting pattern:

Initial Vesting %	Initial Vesting Date	Additional Vesting Period	Ratio of Additional Vesting
25%	One year after grant	Over 3 years	25% per annum

Stock options generally expire ten years after the date of grant and are subject to possible earlier exercise and termination under certain circumstances. Stock options are generally forfeited if the employee leaves the Company before the stock options vest.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

23. Share Based Payments (continued)

Details of the share based payments made are as follows:

	Weighted average exercise price (£) 2021	Number 2021	Weighted average exercise price (£) 2020	Number 2020
Outstanding at the start of the year	1,843	250	1,843	350
Granted in the year	-	-	-	-
Cancelled in the year	1,843	250	1,718	(100)
Options at the end of the year	-	-	1,843	250
Exercisable the end of the year		-		100

The value of the options is measured by the use of the Black Scholes pricing model. The inputs into the Black Scholes pricing model were as follows:

Grant date	Share price at grant date £	Exercise price £	Volatility %	Expected life years	Risk free rate %	Expected dividend yield %
01/10/2017	1,620	1,620	42.0%	6.25	2.06%	0%
31/12/2017	1,595	1,595	47.2%	6.25	1.45%	0%

The share price at the grant date as shown above is the share price as was issued at the grant date.

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Group is a part of the group share based payment plan and it recognises and measures the share based payments expense based on the allocation by the group in accordance with FRS 102 Section 26.22. The number of employees in the company eligible for the group share based plan forms the basis of this allocation.

The Group expenses relating to equity-settled share-based payments in the current year were zero (2020 credit: £48,375). The proportion of the vesting period served by the employees with the Company has been included within the total operating expenses for the year. This is deemed by the Directors to be a reasonable allocation as permitted by FRS 102 paragraph 26.16.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

24. Related party transactions

The Company has taken advantage of the exemptions provided by FRS 102.33.1A 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by such a member of that group.

No shareholders or company directors received any payments for consultancy or any other fees during the year.

At the end of the year a balance of £197,181 was owed by company director, Thomas Benski. This was the maximum value outstanding in the year and there was no interest charged on this amount.

On 26 June 2018 Pulse Films Limited entered into a cash concentration agreement with Vice Group Holding Limited and Vice Europe Holding Limited, to consolidate their outstanding loans with Vice Group and Barclays Bank PLC. This agreement also allowed Pulse Films Ltd access to a new line of working capital credit through a JP Morgan cashpool facility with Vice.

The outstanding value of this loan at 31st December 2021 was £3,673,209 (2020: £2,181,752). The total interest charged and accrued on this loan during the year was £86,022 (2020: £189,099).

Terms and conditions of transactions with related parties:

Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The Group has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2021, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2020: nil).

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

24. Related party transactions (continued)

Pulse UK Entities			2021		2020	
Name of related party	Nature of the relationship	P&L Accounts affected	Pulse UK P&L Impact of transactions (£)	Pulse UK B/S Balance (£)	Pulse UK P&L Impact of transactions (£)	Pulse UK B/S Balance (£)
Owed To						
Vice UK Ltd	A subsidiary of Vice Europe Holding Ltd.	Overheads	(447,035)	272,346	(330,120)	396,144
Vice APS	A subsidiary of Vice Europe Holding Ltd.	Cost of Sales	-	-	(54,978)	54,978
Scarlett Clifford	Sister of Marisa Clifford, Pulse CEO	Cost of Sales	-	-	(6,672)	-
Owed From						
Vice UK Ltd	A subsidiary of Vice Europe Holding Ltd.	Overheads	42,534	75,837	42,534	521,415
Untypical Films LLC	A subsidiary of Vice Group Holding Inc.	Overheads	-	154,277	-	-
A&E Television Networks Ltd	An associate of Vice Group Holding Inc.	Revenue	249,960	1,454,476	1,485	-
Hogarth Worldwide Ltd	Client of Pulse films Vice relationship tbc	Revenue	1,048,792	-	598,418	-
Thomas Benski	Pulse Films CEO	N/A	-	197,181	-	123,877
Vice Media LLC	A subsidiary of Vice Group Holding Inc.	Overheads	-	-	164,021	31,742

Pulse US Entities			2021		2020	
Name of related party	Nature of the relationship	P&L Accounts affected	Pulse US P&L Impact of transactions (£)	Pulse US B/S Balance (£)	Pulse US P&L Impact of transactions (£)	Pulse US B/S Balance (£)
Owed to						
Vice Media LLC	A subsidiary of Vice Group Holding Inc.	Overheads	(534,082)	586,564	(243,649)	419,776
Vice Media LLC	A subsidiary of Vice Group Holding Inc.	COS	(6,892)	7,550	(67)	-
Natalie Parish (Davud's wife)	Wife of Davud (President of Commercials US)	COS	-	-	(2,314)	-
Owed From						
Vice Media LLC	A subsidiary of Vice Group Holding Inc.	Revenue	2,262,829	309,330	180,184	527,831
Vice Media LLC	A subsidiary of Vice Group Holding Inc.	Overheads	-	398,464	2,168	-
AKQA	A shareholder of Vice	Revenue	20,383	-	506,148	88,914
Virtue Worldwide	A subsidiary of Vice Group Holding Inc.	Revenue	603,703	347,022	-	-
Untypical Films	A subsidiary of Vice Group Holding Inc.	Overheads	53,450	40,540	-	-
A&E Television	An associate of Vice Group Holding Inc.	Revenue	407	752	807	-
Vice Arabia FZ LLC	A subsidiary of Vice Group Holding Inc.	Revenue	-	-	(106,093)	-

25. Ultimate parent company and ultimate controlling party

The immediate and ultimate parent undertaking is Vice Group Holding Inc. which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Its address is 49 S 2nd Street, Brooklyn, New York, NY 11249-5119, United States, which is where group financial statements can be obtained from.

The immediate controlling party is Vice Europe Holding Limited (registered address 2nd Floor Gaspe House, 66-72 Esplanade, St Helier, Jersey, JE1 1GH), by virtue of their majority shareholding. The ultimate controlling party is Vice Group Holding Inc., a company incorporated in USA.

PULSE FILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

26. Subsequent events

There were no reportable post balance sheet events. Events since the year end including the ongoing conflict in Russia and Ukraine have no effect on the accounting or presentation of these financial statements.