

# Academy Films Limited

Annual Report and Financial Statements

For the year ended 30 June 2022

Company Registration No. 05860629 (England and Wales)

# Academy Films Limited

## Company Information

---

<b>Directors</b>	J Glazer S Cooper M Riordan
<b>Company number</b>	05860629
<b>Registered office</b>	Charlotte Building 17 Gresse Street London W1T 1QL
<b>Auditor</b>	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
<b>Business address</b>	16 West Central Street London WC1A 1JJ

---

# Academy Films Limited

## Contents

---

	<b>Page</b>
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 7
Statement of income and retained earnings	8
Balance sheet	9
Notes to the financial statements	10 - 21

---

# Academy Films Limited

## Strategic Report

For the year ended 30 June 2022

---

The directors present the strategic report for the year ended 30 June 2022.

### Fair review of the business

The company results are in line with expectations given the challenging economic conditions in the UK due to inflation. Turnover decreased from £23.9m in 2021 to £19.6m and a profit for the year of £1.6m (2021: £2.7m).

### Principal risks and uncertainties

The principal business risks affecting the company are considered to be those that affect the majority of business in the UK, which relate to the impact of inflation in the UK, along with the continued candidate driven labour market, which in turn has a similar impact on clients.

Management continues to monitor financial performance closely, preparing cashflow projections and management accounts and is confident of future prospects. Post balance sheet trade is strong, relative to others in the same industry.

### Development and performance

At the end of the financial year the directors feel the company is well placed to meet these challenges, underpinned by a strong balance sheet including net assets of over £6.9m (2021: £6.6m) and cash balances of over £2.4m (2021: £3.0m).

### Key performance indicators

The Directors review KPIs throughout the year on a project by project basis. The KPIs for the year ended 30 June 2022 are:

#### 2022 2021

Gross profit margin	21%	22%
Operating profit margin	10%	14%
Profit (after tax) margin	8%	11%

On behalf of the board

S Cooper  
Director

M Riordan  
Director

Date:

Date:

# Academy Films Limited

## Directors' Report

For the year ended 30 June 2022

---

The directors present their annual report and financial statements for the year ended 30 June 2022.

### Principal activities

The principal activity of the company continued to be that of the production of television commercials.

### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,211,084 (2021: £1,083,059). The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend (2021: £nil).

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Glazer  
S Cooper  
M Riordan

### Future developments

The company expects the market to be challenging, but is confident that trading will continue to be profitable in the forthcoming year.

### Auditor

The auditor, Moore Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

S Cooper  
**Director**

M Riordan  
**Director**

9 May 2023

# Academy Films Limited

## Directors' Responsibilities Statement

For the year ended 30 June 2022

---

The directors are responsible for preparing the Annual Report and the 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). 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Academy Films Limited

## Independent Auditor's Report

### To the Members of Academy Films Limited

---

#### Opinion

We have audited the financial statements of Academy Films Limited (the 'company') for the year ended 30 June 2022 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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.

#### Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 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.

# Academy Films Limited

## Independent Auditor's Report (Continued)

### To the Members of Academy Films Limited

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **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 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 company or to cease operations, or have no realistic alternative but to do so.



# Academy Films Limited

## Independent Auditor's Report (Continued)

### To the Members of Academy Films Limited

---

#### **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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Academy Films Limited

## Independent Auditor's Report (Continued)

### To the Members of Academy Films Limited

---

#### **Explanation as to what extent 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

#### **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.

**Joanna Cosgrove (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

9 May 2023

**Chartered Accountants**  
**Statutory Auditor**

Charlotte Building  
17 Gresse Street  
London  
W1T 1QL

# Academy Films Limited

## Statement of Income and Retained Earnings

For the year ended 30 June 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	19,605,739	23,913,596
Cost of sales		(15,537,672)	(18,711,386)
<b>Gross profit</b>		4,068,067	5,202,210
Administrative expenses		(2,051,183)	(1,852,069)
<b>Operating profit</b>	<b>4</b>	2,016,884	3,350,141
Interest receivable and similar income	<b>7</b>	3,663	2,292
<b>Profit before taxation</b>		2,020,547	3,352,433
Tax on profit	<b>8</b>	(394,302)	(670,000)
<b>Profit for the financial year</b>		1,626,245	2,682,433
Retained earnings brought forward		6,567,296	4,967,922
Dividends		(1,211,084)	(1,083,059)
Retained earnings carried forward		6,982,457	6,567,296

The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# Academy Films Limited

## Balance Sheet

As at 30 June 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9		35,881		77,486
<b>Current assets</b>					
Work in progress	10	349,594		149,798	
Debtors	11	7,505,178		7,118,988	
Cash at bank and in hand		2,387,355		3,006,460	
		10,242,127		10,275,246	
<b>Creditors: amounts falling due within one year</b>	12	(3,295,151)		(3,785,036)	
<b>Net current assets</b>			6,946,976		6,490,210
<b>Net assets</b>			6,982,857		6,567,696
<b>Capital and reserves</b>					
Called up share capital	15		400		400
Profit and loss reserves			6,982,457		6,567,296
<b>Total equity</b>			6,982,857		6,567,696

The financial statements were approved by the board of directors and authorised for issue on 9 May 2023 and are signed on its behalf by:

S Cooper  
Director

M Riordan  
Director

Company Registration No. 05860629

# Academy Films Limited

## Notes to the Financial Statements

For the year ended 30 June 2022

---

### 1 Accounting policies

#### Company information

Academy Films Limited is a private company limited by shares incorporated in England and Wales. The registered office is Charlotte Building, 17 Gresse Street, London, W1T 1QL.

#### 1.1 Accounting convention

These 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Exemptions for qualifying entities under FRS 102

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of 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 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Nua Limited. These consolidated financial statements are available from its registered office, Charlotte Building, 17 Gresse Street, London, W1T 1QL.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

---

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% straight line
Plant and machinery	33.33% straight line
Fixtures, fittings & equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Work in progress

Work in progress is stated at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of work in progress over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Financial liabilities and equity instruments are classified 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.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

---

### 1 Accounting policies

(Continued)

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### 1.11 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 fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

---

### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Revenue recognition***

Significant management judgement is required in determining the point at which revenue should be recognised. Revenue is recognised in respect of each production from the point at which the company has obtained the right to consideration in return for performance. This is considered to be when all necessary approvals during the process of pre-production have been obtained from the commissioning agency and normally equates to the date at which shooting commences. No profit element is recognised until the company is able to estimate the profit on the production reliably. In arriving at this point of recognition, management have considered the liabilities and amounts that would be due if at different points of the contract, the project were to be pulled.

#### ***Trade debtors recoverability***

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
<b>Turnover</b>		
Production of television commercials	17,375,690	22,911,525
Music	1,981,247	249,495
Stills	248,802	-
	<u>19,605,739</u>	<u>23,913,596</u>

#### Other significant revenue

Interest income	3,663	2,292
	<u>3,663</u>	<u>2,292</u>

#### Turnover analysed by geographical market

	2022 £	2021 £
UK	17,044,819	18,197,583
Europe and USA	1,078,386	5,697,323
Other	1,482,534	18,690
	<u>19,605,739</u>	<u>23,913,596</u>

### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(6,931)	19,684
Fees payable to the company's auditor for the audit of the company's financial statements	23,000	19,800
Depreciation of owned tangible fixed assets	54,635	62,504
Loss on disposal of tangible fixed assets	527	-
Operating lease charges	311,701	230,499
	<u>382,931</u>	<u>312,487</u>

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Management	3	4
Production	19	20
Total	22	24

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,196,355	1,170,419
Social security costs	152,852	146,848
Pension costs	19,192	19,482
	1,368,399	1,336,749

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	311,047	310,749

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	106,792	106,584

Key management personnel and directors are the same.

### 7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	3,663	2,292

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

### 8 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	394,302	670,000

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	2,020,547	3,352,433
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	383,904	636,962
Tax effect of expenses that are not deductible in determining taxable profit	4,209	1,791
Permanent capital allowances in excess of depreciation	(3,995)	8,863
Depreciation on assets not qualifying for tax allowances	10,084	-
Adjustments in respect of financial assets	100	-
Other differences	-	22,384
Taxation charge for the year	394,302	670,000

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

### 9 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2021	230,659	89,129	86,975	406,763
Additions	-	13,557	-	13,557
Disposals	-	(791)	-	(791)
At 30 June 2022	230,659	101,895	86,975	419,529
<b>Depreciation and impairment</b>				
At 1 July 2021	161,581	81,400	86,296	329,277
Depreciation charged in the year	46,132	7,976	527	54,635
Eliminated in respect of disposals	-	(264)	-	(264)
At 30 June 2022	207,713	89,112	86,823	383,648
<b>Carrying amount</b>				
At 30 June 2022	22,946	12,783	152	35,881
At 30 June 2021	69,078	7,729	679	77,486

### 10 Work in progress

	2022 £	2021 £
Work in progress	349,594	149,798

### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,862,864	2,297,498
Amounts owed by group undertakings	5,357,364	3,629,552
Other debtors	6,821	8,604
Prepayments and accrued income	278,129	1,183,334
	7,505,178	7,118,988

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

### 12 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Redeemable ordinary shares	13	200,000	200,000
Trade creditors		1,214,231	1,318,223
Corporation tax		304,745	310,443
Other taxation and social security		672,742	468,929
Other creditors		6,856	209,250
Accruals and deferred income		896,577	1,278,191
		<u>3,295,151</u>	<u>3,785,036</u>

### 13 Loans and overdrafts

	2022 £	2021 £
Redeemable ordinary shares payable within one year	<u>200,000</u>	<u>200,000</u>

The rights of the redeemable ordinary shares are included in note 16.

### 14 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>19,192</u>	<u>19,482</u>

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

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

### 15 Share capital

	2022 £	2021 £
<b>Ordinary share capital</b>		
<b>Allotted, called up and fully paid</b>		
100 Ordinary A Shares of £1 each	100	100
100 Ordinary B Shares of £1 each	100	100
100 Ordinary C Shares of £1 each	100	100
100 Ordinary D Shares of £1 each	100	100
	<u>400</u>	<u>400</u>

The 'A' ordinary, 'B' ordinary, 'C' ordinary, 'D' ordinary shares and the redeemable ordinary shares all rank pari passu with the exception of when there are surplus assets of the company available for distribution among the members. In such a circumstance the following will apply.

Amounts will be paid upon the Redeemable Ordinary Shares.

Amounts will be paid upon the 'A' ordinary, 'C' and 'D' ordinary shares.

All remaining assets will be distributed pari passu amongst the holders of the 'A' ordinary, 'C' ordinary, 'D' ordinary and redeemable ordinary shares.

The 'B' ordinary shares shall not confer any further right of participation in the profits or assets of the company.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2022

### 16 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	184,600	184,600
Between two and five years	492,267	676,867
	<u>676,867</u>	<u>861,467</u>

### 17 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

The company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

At the balance sheet date £2,305 (2021: £5,442) was owed by directors in the company.

### 18 Ultimate controlling party

The immediate parent company of Academy Films Limited is Nua Limited.

Academy Films Limited has no ultimate controlling party.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.