

# Academy Films Limited

## Annual Report and Financial Statements

For the year ended 30 June 2020

Company Registration No. 05860629 (England and Wales)

# Academy Films Limited

## Company Information

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<b>Directors</b>	J Glazer S Cooper M Riordan	(Appointed 10 October 2019) (Appointed 10 October 2019)
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<b>Company number</b>	05860629
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<b>Registered office</b>	Charlotte Building 17 Gresse Street London W1T 1QL
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<b>Auditor</b>	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
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<b>Business address</b>	16 West Central Street London WC1A 1JJ
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# Academy Films Limited

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# Academy Films Limited

## Strategic Report

For the year ended 30 June 2020

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The directors present the strategic report for the year ended 30 June 2020.

### Fair review of the business

The directors are pleased to report that in year ended 30 June 2020 the business had another successful year, securing a number of large contracts, coupled with continued strong working capital management.

The company results are in line with expectations with turnover increasing from £19.3m to £21.6m and a profit for the year of £2.4m (2019: £2.1m).

### Principal risks and uncertainties

The principal business risks affecting the company are considered to relate to the economy and political uncertainty in the UK where the company operates and the global pandemic of Coronavirus (COVID-19). Other risks include financial pressures on clients and advertising agencies and the ongoing uncertainty with regards to Brexit.

The directors have considered the potential impact of the coronavirus, and the various measures taken to contain it, on the operations of the company in the near future. In response to the expected economic downturn caused by the COVID-19 pandemic, the directors will take the following steps to mitigate any associated risks:

- Review contractual terms to understand any implications and plan accordingly;
- Consider force majeure and relief provisions in contracts to reduce or eliminate liabilities; and
- Closer management of cash to ensure payment is made upon receipt of goods or services.

As a result of production not being able to be completed due to the pandemic, the directors expect revenue to reduce over the coming months. In the event that revenues continue to be significantly impacted for a longer period then the company will consider cost cutting measures in order to ensure the long-term viability of the business. However, the company has sufficient cash reserves as at the date of approval of the financial statements to enable it to continue to meet its liabilities as they fall due for at least the next twelve months.

### 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 £5.0m (2019: £3.5m) and cash balances of over £3.5m (2019: £2.8m).

### Key performance indicators

The Directors review KPIs throughout the year as part of the normal management process. The KPIs for the year ended 30 June 2020 are:

#### 2020 2019

Gross profit margin	24%	25%
Operating profit margin	14%	13%
Profit (after tax) margin	11%	11%

# Academy Films Limited

## Strategic Report (Continued)

For the year ended 30 June 2020

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On behalf of the board

.....  
S Cooper  
**Director**

.....  
M Riordan  
**Director**

**Date:**

**Date:**

# Academy Films Limited

## Directors' Report

For the year ended 30 June 2020

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The directors present their annual report and financial statements for the year ended 30 June 2020.

### Principal activities

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

### 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	
E J Gower	(Resigned 10 October 2019)
S Cooper	(Appointed 10 October 2019)
M Riordan	(Appointed 10 October 2019)

### Results and dividends

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

Ordinary dividends were paid amounting to £956,131 (2019: £868,665). 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 (2019: £nil).

### 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 directors' responsibilities

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

## Directors' Report (Continued)

For the year ended 30 June 2020

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### 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**  
30 June 2021

M Riordan  
**Director**  
30 June 2021

# Academy Films Limited

## Independent Auditor's Report

### To the Members of Academy Films Limited

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#### Opinion

We have audited the financial statements of Academy Films Limited (the 'company') for the year ended 30 June 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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

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#### **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 directors' 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.

#### **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.

# Academy Films Limited

## Independent Auditor's Report (Continued)

### To the Members of Academy Films Limited

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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.

#### 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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our 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

30 June 2021

**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 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	21,609,835	19,273,425
Cost of sales		(16,483,903)	(14,498,400)
<b>Gross profit</b>		5,125,932	4,775,025
Administrative expenses		(2,252,576)	(2,218,419)
Other operating income		110,772	-
<b>Operating profit</b>	<b>4</b>	2,984,128	2,556,606
Interest receivable and similar income	<b>7</b>	15,205	22,784
Interest payable and similar expenses	<b>8</b>	-	(1,687)
<b>Profit before taxation</b>		2,999,333	2,577,703
Taxation	<b>9</b>	(560,002)	(505,128)
<b>Profit for the financial year</b>		2,439,331	2,072,575
Retained earnings brought forward		3,484,722	2,280,812
Dividends		(956,131)	(868,665)
Retained earnings carried forward		4,967,922	3,484,722

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 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10		130,807		192,947
<b>Current assets</b>					
Stock	12	31,014		522,748	
Debtors	13	3,121,329		3,634,660	
Cash at bank and in hand		3,499,335		2,839,844	
		<u>6,651,678</u>		<u>6,997,252</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,814,163)</u>		<u>(3,705,077)</u>	
<b>Net current assets</b>			<u>4,837,515</u>		<u>3,292,175</u>
<b>Total assets less current liabilities</b>			<u>4,968,322</u>		<u>3,485,122</u>
<b>Capital and reserves</b>					
Called up share capital	16		400		400
Profit and loss reserves			<u>4,967,922</u>		<u>3,484,722</u>
<b>Total equity</b>			<u>4,968,322</u>		<u>3,485,122</u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2021 and are signed on its behalf by:

S Cooper  
Director

M Riordan  
Director

Company Registration No. 05860629

# Academy Films Limited

## Statement of Cash Flows

For the year ended 30 June 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21	2,155,146		1,084,636	
Interest paid		-		(1,687)	
Income taxes paid		(550,000)		(500,000)	
<b>Net cash inflow from operating activities</b>		<b>1,605,146</b>		<b>582,949</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,729)		(26,050)	
Interest received		15,205		22,784	
<b>Net cash generated from/(used in) investing activities</b>		<b>10,476</b>		<b>(3,266)</b>	
<b>Financing activities</b>					
Dividends paid		(956,131)		(862,171)	
<b>Net cash used in financing activities</b>		<b>(956,131)</b>		<b>(862,171)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>659,491</b>		<b>(282,488)</b>	
Cash and cash equivalents at beginning of year		2,839,844		3,122,332	
<b>Cash and cash equivalents at end of year</b>		<b>3,499,335</b>		<b>2,839,844</b>	

# Academy Films Limited

## Notes to the Financial Statements

For the year ended 30 June 2020

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### 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 pound.

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 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.

The directors have considered the ongoing impact of COVID-19, and the various measures taken to contain it, on the operations of the business in the near future. The directors will continue to monitor the government announcements, and in the event income is impacted significantly they will consider cost cutting measures in order to ensure the long term viability of the business.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.3 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.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

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### 1 Accounting policies

(Continued)

#### 1.4 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.

#### 1.5 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.

#### 1.6 Cash and cash equivalents

Cash at bank and in hand 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.

#### 1.7 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.

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.

#### 1.8 Equity instruments

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

#### 1.9 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.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

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### 1 Accounting policies

(Continued)

#### 1.10 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.

#### 1.11 Retirement benefits

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

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

#### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 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 are included in the profit and loss account for the period.



# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

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### **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 2020

### 3 Turnover and other revenue

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

	2020 £	2019 £
<b>Turnover</b>		
Production of television commercials	21,609,835	19,273,425
	<u>          </u>	<u>          </u>
<b>Other significant revenue</b>		
Interest income	15,205	22,784
Grants received	110,772	-
	<u>          </u>	<u>          </u>

#### Turnover analysed by geographical market

	2020 £	2019 £
UK	16,737,417	14,046,542
Europe and USA	4,356,170	3,256,251
Other	516,248	1,970,632
	<u>          </u>	<u>          </u>
	21,609,835	19,273,425
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(9,443)	(1,483)
Government grants	(110,772)	-
Fees payable to the company's auditor for the audit of the company's financial statements	20,550	18,000
Depreciation of owned tangible fixed assets	66,869	67,493
Operating lease charges	280,049	301,272
	<u>          </u>	<u>          </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £9,443 (2019 - £1,483).

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 5 Employees

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

	2020 Number	2019 Number
Management	4	5
Production	21	19
	<u>25</u>	<u>24</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,438,163	1,353,749
Social security costs	178,371	189,368
Pension costs	20,107	14,300
	<u>1,636,641</u>	<u>1,557,417</u>

### 6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	<u>357,773</u>	<u>100,000</u>

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

	2020 £	2019 £
Remuneration for qualifying services	<u>173,789</u>	<u>100,000</u>

### 7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	<u>15,205</u>	<u>22,784</u>

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 8 Interest payable and similar expenses

	2020 £	2019 £
<b>Other finance costs:</b>		
Other interest	-	1,687
	<u>          </u>	<u>          </u>

### 9 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	560,002	505,128
	<u>          </u>	<u>          </u>

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:

	2020 £	2019 £
Profit before taxation	2,999,333	2,577,703
	<u>          </u>	<u>          </u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)</i>	569,873	489,764
Tax effect of expenses that are not deductible in determining taxable profit	5,868	8,662
Permanent capital allowances in excess of depreciation	10,549	6,702
Creative tax credit	(26,288)	-
	<u>          </u>	<u>          </u>
Tax charge for the year	560,002	505,128
	<u>          </u>	<u>          </u>

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 10 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2019	230,659	76,067	86,125	392,851
Additions	-	4,729	-	4,729
At 30 June 2020	230,659	80,796	86,125	397,580
<b>Depreciation and impairment</b>				
At 1 July 2019	69,198	50,436	80,270	199,904
Depreciation charged in the year	46,251	15,289	5,329	66,869
At 30 June 2020	115,449	65,725	85,599	266,773
<b>Carrying amount</b>				
At 30 June 2020	115,210	15,071	526	130,807
At 30 June 2019	161,461	25,631	5,855	192,947

### 11 Financial instruments

	2020 £	2019 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	2,994,093	3,469,910
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	769,761	2,110,317

### 12 Work in progress

	2020 £	2019 £
Work in progress	31,014	522,748

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 13 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	283,181	2,200,323
Amounts due from group undertakings	2,526,280	200,000
Other debtors	8,174	6,470
Prepayments and accrued income	303,694	1,227,867
	<u>3,121,329</u>	<u>3,634,660</u>

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

	Notes	2020	2019
		£	£
Redeemable ordinary shares	15	200,000	200,000
Trade creditors		154,586	991,958
Amounts due to group undertakings		5,000	-
Corporation tax		240,443	230,441
Other taxation and social security		608,973	692,009
Dividends payable		6,494	6,494
Other creditors		8,020	13,969
Accruals and deferred income		590,647	1,570,206
		<u>1,814,163</u>	<u>3,705,077</u>

### 15 Loans and overdrafts

	2020	2019
	£	£
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.

# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 16 Share capital

	2020 £	2019 £
<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.

### 17 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>20,107</u>	<u>14,300</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 2020

### 18 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:

	2020 £	2019 £
Within one year	123,067	184,600
Between two and five years	-	123,067
	<u>123,067</u>	<u>307,667</u>

### 19 Related party transactions

Dividends of £956,131 (2019: £868,665) were paid to directors during the year. At the balance sheet date a total of £nil (2019: £13,395) was owed to directors in the company and £4,903 (2019: £1,206) was owed by directors in the company.

No guarantees have been given or received.

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>357,772</u>	<u>528,020</u>

### 20 Controlling party

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

Academy Films Limited has no ultimate controlling party.



# Academy Films Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

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### 21 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	2,439,331	2,072,575
<b>Adjustments for:</b>		
Taxation charged	560,002	505,128
Finance costs	-	1,687
Investment income	(15,205)	(22,784)
Depreciation and impairment of tangible fixed assets	66,869	67,493
<b>Movements in working capital:</b>		
Decrease/(increase) in stock	491,734	(500,078)
Decrease/(increase) in debtors	513,331	(1,087,377)
(Decrease)/increase in creditors	(1,900,916)	47,992
<b>Cash generated from operations</b>	<u>2,155,146</u>	<u>1,084,636</u>

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.