Company registration number 05907305 (England and Wales)

ROUGHCUT TELEVISION LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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ROUGHCUT TELEVISION LIMITED

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ROUGHCUT TELEVISION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**4**		33,565		7,801
Investments	**5**		552,524		662,524
			586,089		670,325
Current assets					
Work in progress		481,298		235,618	
Debtors	**7**	2,622,085		1,846,971	
Cash at bank and in hand		3,300,458		2,835,591	
		6,403,841		4,918,180	
Creditors: amounts falling due within one year	**8**	(2,754,294)		(2,059,273)	
Net current assets			3,649,547		2,858,907
Total assets less current liabilities			4,235,636		3,529,232
Capital and reserves					
Called up share capital	**9**		10,532		10,532
Share premium account			13,940		-
Profit and loss reserves			4,211,164		3,518,700
Total equity			4,235,636		3,529,232

ROUGHCUT TELEVISION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The Director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The Director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 27 September 2022

A Atalla
Director
Company Registration No. 05907305

1 Accounting policies

Company information

Roughcut Television Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bischheim House, 4th Floor, 19-20 Berners Street, London, W1T 3NW.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied, other than where additional disclosure is required to show a true and fair view.

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 under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value, where applicable. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

Turnover represents amounts receivable for services supplied during the year net of VAT. Where the company has incomplete productions at the year end, income and expenditure for these productions is recognised so that it reflects the partial performance of the company's contractual obligations. For such productions, the amount of revenue reflects the value of the work performed. Revenue due but not received is included in debtors and payments on account received in excess of the relevant amount of revenue due are included in creditors.

Advances received under distribution agreements are recognised as income over the distribution licence period when income is earned from the licensed production. The amount of any advances not recoupable out of future income is recognised as income in the year. Non-refundable advances are recognised once initial contractual obligations have been fulfilled.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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:

Land and buildings - leasehold	Over the term of the lease
Plant and machinery	20% - 33.33% straight line method

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 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Unlisted investments are measured at cost less any impairment losses.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Work in progress

Work in progress represents production and development costs and is valued at the lower of cost and net realisable value.

1.8 Cash at bank and in hand

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.

1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

1.10 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.

1.11 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.13 Retirement benefits

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

1.14 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 leased asset are consumed.

1 Accounting policies **(Continued)**

1.15 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.

1.16 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Director is 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.

Turnover

The company recognises turnover as per the accounting policies in note 1. Revenue from productions' funding, licensing fees and the sale of licensing revenue all impact the financial statements significantly. In addition, the stage of completeness of productions, and related revenue recognition, impacts the level of expenditure on productions recognised.

3 Employees

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

	2021 Number	2020 Number
Total	15	12

ROUGHCUT TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2021	22,425	222,236	244,661
Additions	21,752	19,312	41,064
Disposals	(22,425)	(104,985)	(127,410)
At 31 December 2021	21,752	136,563	158,315
Depreciation and impairment			
At 1 January 2021	19,103	217,757	236,860
Depreciation charged in the year	5,905	7,816	13,721
Eliminated in respect of disposals	(20,846)	(104,985)	(125,831)
At 31 December 2021	4,162	120,588	124,750
Carrying amount			
At 31 December 2021	17,590	15,975	33,565
At 31 December 2020	3,322	4,479	7,801

5 Fixed asset investments

	2021	2020
	£	£
Investments	552,524	662,524

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 January 2021 & 31 December 2021	502,524	160,000	662,524
Impairment			
At 1 January 2021	-	-	-
Impairment losses	-	110,000	110,000
At 31 December 2021	-	110,000	110,000
Carrying amount			
At 31 December 2021	502,524	50,000	552,524
At 31 December 2020	502,524	160,000	662,524

6 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Little A Productions Limited	England and Wales	Production of TV programmes	Ordinary	100.00	0
Raffy Productions Limited	England and Wales	Production of TV programmes	Ordinary	100.00	0
Roughcut Television (Cuckoo) Limited	England and Wales	Production of TV programmes	Ordinary	100.00	0
Roughcut Television (STEP) Limited	England and Wales	Production of TV programmes	Ordinary	100.00	0
Roughcut Television (HP) Limited	England and Wales	Dormant	Ordinary	100.00	0
Roughcut Television (ILWM) Limited	England and Wales	Dormant	Ordinary	100.00	0
Roughcut Television (Little Start Up) Limited	England and Wales	Dormant	Ordinary	100.00	0
Roughcut Television (PJDN) Limited	England and Wales	Production of TV programmes	Ordinary	100.00	0
Roughcut Television (Top Coppers) Limited	England and Wales	Dormant	Ordinary	100.00	0
Roughcut Television (Trollied) Limited	England and Wales	Dormant	Ordinary	100.00	0
Roughcut Television (Stath) Limited	England and Wales	Production of TV programmes	Ordinary	100.00	0
Roughcut Television (A&K) Limited	England and Wales	Dormant	Ordinary	100.00	0
Roughcut Television (Trinity) Limited	England and Wales	Dormant	Ordinary	100.00	0
Roughcut Films (PJDN) Limited	England and Wales	Production of TV programmes	Ordinary	100.00	0
Roughcut Television (Bloods) Limited	England and Wales	Production of TV programmes	Ordinary	100.00	0

The registered offices of the subsidiaries are the same as that of this company.

6 Subsidiaries **(Continued)**

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Little A Productions Limited	(564)	15,837
Raffy Productions Limited	1,445	608,655
Roughcut Television (Cuckoo) Limited	13,905	81,721
Roughcut Television (STEP) Limited	(1,494)	(1,492)
Roughcut Television (HP) Limited	-	(11,805)
Roughcut Television (ILWM) Limited	-	49,928
Roughcut Television (Little Start Up) Limited	-	2
Roughcut Television (PJDN) Limited	(16,209)	72,847
Roughcut Television (Top Coppers) Limited	-	30,111
Roughcut Television (Trollied) Limited	-	111,928
Roughcut Television (Stath) Limited	-	(14,767)
Roughcut Television (A&K) Limited	-	-
Roughcut Television (Trinity) Limited	-	-
Roughcut Films (PJDN) Limited	(16,209)	72,847
Roughcut Television (Bloods) Limited	(47,669)	(47,668)

7 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	81,030	75,425
Corporation tax recoverable	246,142	213,082
Amounts owed by group undertakings	1,141,721	868,143
Other debtors	1,153,192	690,321
	2,622,085	1,846,971

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	93,429	50,479
Amounts owed to group undertakings	998,205	987,378
Corporation tax	-	27,851
Other taxation and social security	205,252	130,665
Other creditors	1,457,408	862,900
	2,754,294	2,059,273

9 Called up share capital

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
1,000,010 (2020: 1,000,000) Ordinary A shares of 1p each	10,000	10,000
30 (2020: 30) Ordinary D shares of £17.67 each	530	530
10 (2020: 10) Ordinary E shares of 1p each	-	-
5 (2020: 5) Ordinary F shares of 1p each	-	-
155 (2020: 155) Ordinary G shares of 1p each	2	2
	10,532	10,532

The Ordinary E, F and G shares are non-voting and together with the D shares carry no income entitlement.

The Ordinary A shares receive all of any capital distribution to a set figure. Thereafter the D, E, F and G shares share the excess proportionately.

During the year, 10 Ordinary A Shares of 1 pence each were issued at a consideration of £1,394 per share. The excess of the consideration over the nominal value of the shares has been added to the share premium account.

10 Operating lease commitments

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

	2021	2020
	£	£
	461,100	33,147

11 Related party transactions

The company has taken advantage of the exemption under FRS 102 not to disclose related party transactions between and with wholly owned group members.

Included within other debtors is a balance due from A Atalla, the director, amounting to £655,294 (2020: £487,690). Interest between 2% - 2.25% (2020: 2%) per annum is charged on the outstanding balance. An amount of £1,436,526 (2020: £1,200,653) was advanced to A Atalla during the year; £1,000,004 (2020: £1,000,000) of this being repaid.

During the year A Atalla, the director, received dividends amounting to £300,000 (2020: £300,000).

Included in trade debtors is £2,600 (2020: £Nil) receivable from The Exchange, The Film Limited, a company with a common director. During the year the company provided services of £13,000 (2020: £6,950) to The Exchange, The Film Limited.