

Company Registration No. 05020661 (England and Wales)

FULWELL 73 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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FULWELL 73 LIMITED

COMPANY INFORMATION

Directors	L Pearlman B Turner G Turner
Secretary	G Turner
Company number	05020661
Registered office	1 Esther Anne Place London N1 1UL
Auditor	BDO LLP 55 Baker Street London W1U 7EU

FULWELL 73 LIMITED

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FULWELL 73 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2021

The directors present the strategic report for Fulwell 73 Limited (the 'Company') for the year ended 31 July 2021.

Fair review of the business

The results for the period, as set out on page 8, were considered satisfactory by the directors who do not anticipate any changes in those activities over the coming financial reporting period

The profit for the year amounted to £110,519 (2020: loss of £3,118,737). These results were driven by the increase in productions in the group for which the Company provides resources.

Future developments

Looking forward, the directors intend to seek new commissions whilst also maximising returns from distribution.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company and the Group of which it is part of, relate to the general economic environment, competition from other distributors and film and television programming and the success of the Company's media content available for worldwide distribution.

COVID-19

The company's operations were significantly impacted by the national lockdowns resulting from the COVID-19 pandemic. The directors have seen a return in demand for productions since the easing of lockdown restrictions in April 2021, however, the directors are very much aware that the virus could still cause further business disruption and continue to monitor developments and take appropriate action to minimise these.

Level of new production commissions

The success of the company very much depends on the new productions being commissioned by broadcasters within the group. The demand for programme content from broadcasters remains high, with new broadcasters playing a larger role in the industry.

Key performance indicators

The directors have monitored the performance of the company, with particular reference to the following key performance indicators:

	2021	2020
Turnover	£8,614,462	£3,896,291
Gross profit	£8,583,000	£3,608,939
Administrative expenses	£8,278,239	£6,508,761

Year on year turnover has increased by 121% as the group in which the Company provides resources has continued to grow the number of projects in production with an increasing number of broadcasters and streaming services. This has subsequently resulted in an increase in gross profit of 138%.

Administrative expenses have increased by 27%, this is largely attributable to an increase in staff costs of £832,474 as the Company continues to invest in people in order to facilitate future growth, and an increase of £323,416 in of operating lease costs arising following the move to new premises in the year.

Financial risk management objectives and policies

The company uses various financial instruments which include cash balances and other items, such as debtors and creditors, which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit, currency and liquidity risk.

The directors review and agree policies for managing each of these risks, which are summarised below.

FULWELL 73 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Credit risk

The Company's principal financial assets are cash and trade and other debtors.

The credit risk associated with cash balances is limited as the Company uses banks with high credit ratings assigned by international credit-rating agencies.

With respect to trade debtors, our customers are typically larger broadcasters and there is little credit risk. The company has not experienced any significant trade debtor write-offs to date.

Currency risk

The company enters into transactions that are denominated in currencies other than its functional currency and is therefore exposed to movements in foreign currency exchange rates. Where exchange rates change between reporting periods, fluctuations in the reported results of the company's operations may arise that are reflective of currency performance and not indicative of operating performance.

Liquidity Risk

The company manages a liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with their required terms. The financing of operations is managed at a Group level by the Company's ultimate parent undertaking.

Ukraine and Business Impact

From a business perspective, the company has a negligible direct exposure to Russia and has no resources based in Russia, Ukraine or Eastern Europe. The company is committed to complying with all sanctions.

On behalf of the board



L. Pearlman
Director

Date:

28/07/22

FULWELL 73 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021

The directors present their annual report and financial statements for the year ended 31 July 2021.

Principal activities

The principal activity of the Company continued to be that of film and television production.

Results and dividends

The Company generated a profit of £110,519 (2020: loss of £3,118,737). The performance in the year is due to an increase in revenue to £8,614,462 (2020: £3,896,291) due to an increased number of productions in the group for which the Company provides resources. The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

L Pearlman
B Turner
G Turner

Going concern

The directors, having made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the company will continue in operation for at least twelve months from the date of approval of these financial statements.

The Company has the benefit of the financial support of the group. The Directors of the Company include a Director on the Board of profitable Group companies and are therefore confident that the Group would not rescind this support as the Company is a trading company of the Group. A letter of support has been provided to confirm this support will not be rescinded. This letter also confirms that intercompany loans will not be demanded within 12 months of the signing of the financial statements. On this basis it is reasonable to look at the Group's resources.

Auditor

BDO LLP were appointed as auditor to the company in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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


L Pearlman
Director

Date:

28/07/2022

FULWELL 73 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2021

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 director is required to:

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

The director is 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. He is 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.

FULWELL 73 LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FULWELL 73 LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 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.

We have audited the financial statements of Fulwell 73 Limited ("the Company") for the year ended 31 July 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

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. 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.

FULWELL 73 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FULWELL 73 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 Director's and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' and strategic report has been prepared in accordance with applicable legal requirements.

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 director's and strategic 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

Extent to which the audit was 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:

FULWELL 73 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FULWELL 73 LIMITED

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- We identify and assess potential risks related to irregularities, including fraud, by considering the following:
 - Enquiries of management regarding: the compliance with laws and regulations; the detection and response to the risk of fraud and any knowledge of actual, suspected or alleged fraud; and the controls in place to mitigate risks related to fraud or non-compliance with laws and regulations;
 - Obtaining an understanding of the legal and regulatory framework in which the company operates. The key laws considered are international accounting standards in conformity with the Companies Act 2006 and the Companies Act 2006.
- We respond to risks identified by performing procedures including the following:
 - Review of financial statements disclosures and testing to supporting documentation;
 - Enquiry of in-house management concerning actual and potential litigation and claims; and
 - Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of misstatement due to fraud.
- We have also considered the risk of fraud through management override of controls by:
 - Testing on a sample basis, the appropriateness of journal entries and other adjustments;
 - Assessing whether the judgements made in making accounting estimates are indicative of potential bias.

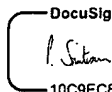
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 him 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.

DocuSigned by:



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Peter Smithson (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor
London

Date: 28 July 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FULWELL 73 LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	2020 £
Turnover	3	8,614,462	3,896,291
Cost of sales		(31,462)	(287,352)
Gross profit		8,583,000	3,608,939
Administrative expenses		(8,278,239)	(6,508,761)
Operating Profit/(loss)	4	304,761	(2,899,822)
Interest receivable and similar income		1,646	1,672
Amounts written off from other debtor balances	8		(837,348)
Profit/(loss) before taxation		306,407	(3,735,498)
Tax on (loss)/profit	7	(195,888)	616,761
Profit/(loss) for the financial year		110,519	(3,118,737)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 to 20 form part of these financial statements.


FULWELL 73 LIMITED

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9	5,203,561		1,680,069	
Investments	10	1,898,814		1,898,761	
		<u>7,102,375</u>		<u>3,578,830</u>	
Current assets					
Work in progress	11		24,687		
Debtors	12	4,771,603	4,329,581		
Cash at bank and in hand		1,172,363	934,879		
		<u>5,943,966</u>	<u>5,289,147</u>		
Creditors: amounts falling due within one year	13	<u>(4,645,722)</u>	<u>(3,425,501)</u>		
Net current assets		<u>1,298,244</u>		<u>1,863,646</u>	
Total assets less current liabilities		<u>8,400,619</u>		<u>5,442,476</u>	
Creditors: amounts falling due after more than one year	14	(2,842,986)		(191,250)	
Provisions for liabilities					
Deferred tax liability	15	<u>(447,360)</u>	<u>(251,472)</u>		
		<u>(447,360)</u>	<u>(251,472)</u>		
Net assets		<u>5,110,273</u>		<u>4,999,754</u>	
Capital and reserves					
Called up share capital	16		8		8
Profit and loss reserves		<u>5,110,265</u>		<u>4,999,746</u>	
Total equity		<u>5,110,273</u>		<u>4,999,754</u>	

The financial statements were approved by the board of directors and authorised for issue on 28/07/21 and are signed on its behalf by:


L. Pearlman
Director

Company Registration No. 05020661

The notes on pages 9 to 20 form part of these financial statements.

FULWELL 73 LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 August 2019	8	8,118,483	8,118,491
Year ended 31 July 2020:			
Loss and total comprehensive loss for the year	-	(3,118,737)	(3,118,737)
Balance at 31 July 2020	8	4,999,746	4,999,754
Year ended 31 July 2021:			
Profit and total comprehensive income for the year	-	110,519	110,519
Balance at 31 July 2021	8	5,110,265	5,110,273

The notes on pages 9 to 20 form part of these financial statements.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Company information

Fulwell 73 Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Esther Anne Place, London, N1 1UL.

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

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Fulwell 73 Limited is a subsidiary of Fulwell 73 Productions LLP and the results of Fulwell 73 Limited are included in the consolidated financial statements of Fulwell 73 Productions LLP which are available from the website of Companies House.

1.2 Going concern

The directors, having made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the company will continue in operation for at least twelve months from the date of approval of these financial statements.

The Company has the benefit of the financial support of the group. The Directors of the Company include a Director on the Board of profitable Group companies and are therefore confident that the Group would not rescind this support as the Company is a trading company of the Group. A letter of support has been provided to confirm this support will not be rescinded. This letter also confirms that intercompany loans will be not be demanded within 12 months of the signing of the financial statements. On this basis it is reasonable to look at the Group's resources.

1.3 Turnover

Turnover represents amounts receivable for motion picture production services.

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 it is probable will be recovered.

Where contracts contain sale values based on milestones, these values are used to recognise revenue.

Revenue from the provision of professional services to Fulwell 73 Group companies is recognised when the services have been provided. These services include the supply of production staff and the use of equipment.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

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	straight line over 10 years
Plant and machinery	straight line over 5 years
Fixture and fittings	straight line over 4 years

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.

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.

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.

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.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (continued)

1.7 Work in progress

Work in progress represents expenditure on programmes in production and projects in development, valued at the lower of costs and net realisable value. All items held as work in progress are deemed recoverable. Where items are no longer deemed recoverable, costs are written off to the Statement of Comprehensive Income.

1.8 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.

1.9 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.

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.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (continued)

1.9 Financial instrument (continued)

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.

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.

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.

Other financial liabilities

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.

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.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (continued)

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 leases asset are consumed.

1.15 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.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (continued)

1.16 Audit exemption of subsidiaries

Fulwell 73 Limited has issued a Parent Company guarantee pursuant to Section 4 of the Companies Act 2006 for the financial year 2021 on behalf of the subsidiary Companies registered in England and Wales, see below. The Parent Company guarantee applies to all outstanding liabilities for the subsidiaries at the balance sheet date until the obligations have been fulfilled. The Subsidiaries have applied the exemption from statutory audit provided for in Section 479(A) of UK Companies Act 2006.

Name	Registered Number
H of A Production Limited	09806002
Ibiza 87 Limited	10106894
F73 Productions Limited	05724925
Fulwell Music Limited	09398134
Fulwell Sales and Distribution Limited	13256167

2 Judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determining whether amounts owed by customers are displaying indicators of impairment. Factors taken into consideration are the amounts received after the reporting date and expected future receipts.
- Determining whether amounts recorded within works in progress are displaying indicators of impairment. Factors taken into consideration are income received on the production and expected future income.
- Determining whether the fixed asset investments held by the Company are impaired. Factors taken into consideration are the net assets, performance and expected future performance of the investments.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see Note 9)

Tangible fixed assets are depreciated over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation are taken into account.

3 Turnover

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	7,068,695	2,917,093
United States	1,545,767	970,901
Rest of the world		8,297
	<u>8,614,462</u>	<u>3,896,291</u>

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

4 Operating Profit/(loss)

	2021 £	2020 £
Operating Profit/(loss) for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	102,426	71,299
Fees payable to the company's auditor for the audit of the company's financial statements	43,500	43,500
Depreciation of owned tangible fixed assets	647,469	176,179
Payroll costs recharged to group companies	(984,075)	(711,344)
Defined contribution pension cost	151,488	54,903
Operating lease charges	851,959	528,543

5 Employees

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

	2021 Number	2020 Number
Development	4	2
Admin	10	8
Operations	5	5
Post-production	18	18
Production	28	23
Total	65	56

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	4,852,488	4,190,085
Social security costs	572,582	499,096
Pension costs	151,488	54,903
	5,576,558	4,744,084

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	1,158,250	1,149,000

Emoluments of the highest paid director were £383,000 (2020 - £383,000). Company pension contributions of £Nil (2020 - £Nil) were made to a pension scheme on their behalf.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

7 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	-	-
Losses carried back into previous years	-	(783,521)
Total current tax	-	(783,521)
Deferred tax		
Origination and reversal of timing differences	195,888	166,760
Total tax (credit)/charge	195,888	(616,761)

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

	2021 £	2020 £
(Loss)/profit before taxation	306,407	(3,735,498)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	58,217	(709,745)
Tax effect of expenses that are not deductible in determining taxable profit	125,717	-
Losses carried back into previous years	-	(783,521)
Losses carried forward	159,855	-
Capital allowances	(343,789)	-
Deferred tax not recognised	-	709,745
Deferred tax	195,888	166,760
Taxation (credit)/charge for the year	195,888	(616,761)

8 Amounts written off from debtor balances

	2021 £	2020 £
Impairment of customer loan balances	-	837,348

During the year, £Nil (2020 - £837,348) of loans provided to customers to facilitate productions were impaired. No other such loans are held by the company. The balances impaired were included within other debtors in the prior year. No such balances are included within other debtors as at 31 July 2021.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

9 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixture and fittings £	Total £
Cost				
At 1 August 2020	911,057	1,185,192	11,566	2,107,815
Additions	2,124,620	1,726,960	319,381	4,170,961
Disposals	-	(95,270)	(11,003)	(106,273)
At 31 July 2021	3,035,677	2,816,882	319,944	6,172,503
Depreciation and impairment				
At 1 August 2020	38,116	378,165	11,465	427,746
Depreciation charged in the year	235,672	372,757	39,040	647,469
Depreciation on disposals	-	(95,270)	(11,003)	(106,273)
At 31 July 2021	273,788	655,652	39,502	968,942
Carrying amount				
At 31 July 2021	2,761,889	2,161,230	280,442	5,203,561
At 31 July 2020	872,941	807,027	101	1,680,069

10 Fixed asset investments

	2021 £	2020 £
Investments in subsidiaries	1,898,814	1,898,761

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 August 2020	1,898,761
Additions	53
At 31 July 2021	1,898,814
Carrying amount	
At 31 July 2021	1,898,814
At 31 July 2020	1,898,761

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

10 Fixed asset investments (continued)

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
A Bus Could Run Limited	1 Esther Anne Place, London, N1 1UL	Film production	Ordinary	100.00
CO92 The Film Limited	1 Esther Anne Place, London, N1 1UL	Film production	Ordinary	50.00
F73 Productions Limited	1 Esther Anne Place, London, N1 1UL	Film production	Ordinary	100.00
Fulwell Music Limited	1 Esther Anne Place, London, N1 1UL	Sound recording and music publishing	Ordinary	100.00
H of A Production Limited	1 Esther Anne Place, London, N1 1UL	Film production	Ordinary	100.00
Ibiza 87 Limited	1 Esther Anne Place, London, N1 1UL	Film production	Ordinary	100.00
LU The Film Limited	1 Esther Anne Place, London, N1 1UL	Film production	Ordinary	50.00
Creativity Media Ltd	1 Esther Anne Place, London, N1 1UL	Motion picture production activities	Ordinary	100.00
AIC The Film Limited	1 Esther Anne Place, London, N1 1UL	Motion picture production activities	Ordinary	100.00
UB The Film Limited	1 Esther Anne Place, London, N1 1UL	Motion picture production activities	Ordinary	100.00
Fulwell Sales and Distribution Limited	1 Esther Anne Place, London, N1 1UL	Dormant	Ordinary	100.00

11 Work in progress

	2021 £	2020 £
Work in progress	-	24,687

The carrying amount of work in progress of £Nil (2020- £24,687) represents development and production costs for projects under construction.

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	5,007	28,882
Corporation tax recoverable	1,394,695	1,147,362
Amounts owed by group undertakings	2,771,004	2,767,717
Other debtors	254,498	343,283
Prepayments and accrued income	346,399	42,337
	4,771,603	4,329,581

The amounts owed by group undertakings and undertakings in which the Company has a participating interest are repayable on demand and interest free.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	369,781	197,816
Amounts owed to group undertakings	2,578,433	1,987,259
Other taxation and social security	649,245	172,817
Other creditors	927,623	543,025
Accruals and deferred income	120,640	524,584
	<u>4,645,722</u>	<u>3,425,501</u>

Included in other creditors is an amount of £191,250 (2020 - £280,558) payable within one year, and £Nil (2020 - £191,500) falling due after more than one year being deferred consideration for the acquisition of the Creativity Media Limited that was purchased in the year ended 31 July 2019.

Included in other creditors is an amount of £539,266 (2020 - £Nil) payable within one year, and £2,613,284 (2020 - £Nil) falling due after more than one year relating to lease incentives spread over the lease term of the property they relate to.

Included in other creditors due over one year is an amount of £229,703 (2020 - £Nil) in respect of hire purchase assets. The liability is interest free.

The amounts owed to group undertakings are repayable on demand and interest free.

14 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	<u>2,842,986</u>	<u>191,250</u>

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	<u>447,360</u>	<u>251,472</u>
		2021 £
Movements in the year:		
Liability at 1 August 2020		251,472
Charge to profit or loss		<u>195,888</u>
Liability at 31 July 2021		<u>447,360</u>

At the reporting date the company had an unrecognised deferred tax asset in respect of unutilised tax losses carried forward of £1,295,709 (2020: £281,494). The potential asset has not been recognised in these financial statements because there is insufficient certainty as to the incidence and timing of future taxable profits against which losses might be offset.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

16 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	8	8	8	8

17 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:

	2021 £	2020 £
Within one year	449,390	-
Between two and five years	4,314,140	3,356,756
In over five years	9,347,303	8,749,431
	<u>14,110,833</u>	<u>12,106,187</u>

18 Related party transactions

Included within other creditors are amounts due to directors of the company as follows:

- B Turner £ 20,646 (2020 - £20,646)
- G Turner £ 21,184 (2020 - £21,184)

During the year, a repayment of £Nil (2020 - £2,892) was made to B Turner.

During the year, a repayment of £Nil (2020 - £726) was made to G Turner.

Included within other debtors are amounts due from directors of the company as follows:

- L Pearlman £ 159,437 (2020 - £159,437)

During the year, a loan of £Nil (2020 - £177,560) was made to L Pearlman. The maximum loan balance during the year was £159,437. The balance has been fully repaid since the year end.

19 Ultimate controlling party

Fulwell 73 Holdco Limited is the immediate parent undertaking with Fulwell 73 Productions LLP being the ultimate parent undertaking. Registered office of both parents is at 1 Esther Anne Place, London, N1 1UL.

Fulwell 73 Productions LLP prepares group accounts and copies can be obtained from the website of Companies House.