
BLINK ENTERTAINMENT DISTRIBUTION LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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BLINK ENTERTAINMENT DISTRIBUTION LTD

COMPANY INFORMATION

Directors	D J Chambers J Kershaw M T Fleming U Streib
Company secretary	J Kershaw
Registered number	07660599
Registered office	Bankstock Building 2nd Floor 42-44 De Beauvoir Crescent London N1 5SB
Independent auditors	Ecovis Wingrave Yeats LLP Chartered Accountants & Statutory Auditors 3rd Floor Waverley House 7-12 Noel Street London W1F 8GQ

BLINK ENTERTAINMENT DISTRIBUTION LTD

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BLINK ENTERTAINMENT DISTRIBUTION LTD
REGISTERED NUMBER: 07660599

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Current assets			
Debtors: amounts falling due within one year	5	445	514
		<u>445</u>	<u>514</u>
Creditors: amounts falling due within one year	6	(9)	(8)
		<u> </u>	<u> </u>
Net current assets		436	506
Total assets less current liabilities		436	506
		<u> </u>	<u> </u>
Net assets		436	506
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		436	506
		<u>436</u>	<u>506</u>
		<u> </u>	<u> </u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



19 August 2022

M T Fleming
Director

The notes on pages 2 to 8 form part of these financial statements.

BLINK ENTERTAINMENT DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Blink Entertainment Distribution Limited is a private Company limited by shares incorporated in England and Wales, registration number 07660599. The registered office is Bankstock Building, 2nd floor, 42-44 De Beauvoir Crescent, N1 5SB.

The principal activity of the Company is the provision of TV production and distribution services.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 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 £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Going concern

There have been significant global and local developments related to the ongoing Coronavirus (COVID-19) pandemic. Like many others in the same industry the Company has been hit by delays in production scheduling that have resulted from a surge in coronavirus infections, productions on hiatus and more cautious commissioning decisions against a back-drop of rising production costs in response to the need for greater health and safety protocols.

The Directors continue to monitor this unprecedented situation and implement strategies in order to preserve cash flows and ensure the long-term longevity of the Company's activities during these challenging times. As 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, being a period of at least 12 months from the date of approving these financial statements.

BLINK ENTERTAINMENT DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable from customers, net of trade discounts, VAT and other sales related taxes.

Production revenue comprises broadcaster licence fees and other pre-sales receivables for work carried out in producing television programmes.

To the extent that they meet the requirements of FRS102 certain customer-specific production contracts are reported using the percentage-of-completion method.

In this method, revenues and gains on customer-specific contracts are recognised based on the stage of completion of the respective project concerned. The percentage of completion is calculated as the ratio of the contract costs incurred up until the end of the year to the total estimated project cost (cost-to-cost method). Irrespective of the extent to which a project has been completed, losses resulting from customer-specific contracts are immediately recognised in full in the year in which the loss is identified. Gross profit on production activity is recognised over the year of the production.

Overspends on production are recognised as they arise and underspends are recognised on completion of the productions.

Distribution revenue includes sums receivable from the exploitation of programmes in which the Company owns rights and is recognised when all the following criteria have been met:

- i) an agreement has been executed by both parties;
- ii) the programme is available for delivery; and
- iii) the arrangements are fixed and determinable.

Revenue from the exploitation of programme rights is recognised when receivable. The associated costs are recognised in cost of sales at the same point.

2.4 Production costs

In most cases, when the Company is commissioned to make a programme by a broadcaster, the broadcaster pays a licence fee for the programme in their own territory and the Company retains the right to exploit the programme elsewhere.

Where the license fee exceeds the cost of production, then due to the uncertain nature of otehr future future revenues, the Company writes off 100%of the production cost against the licence fee income.

2.5 Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

BLINK ENTERTAINMENT DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Foreign exchange

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

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

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

2.7 Financial instruments

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

Financial instruments are recognised 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 trade and other receivables, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

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

Financial assets are impaired when there is objective evidence that, because 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (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 it 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 Group after deducting all its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's contractual obligations are discharged, cancelled, or they expire.

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.

BLINK ENTERTAINMENT DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Taxation

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

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

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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Revenue recognition

Management continually assess the projected total costs of each production. On the basis of these estimates, revenue is recognised.

Where productions are in progress at the period end and where billing exceeds the value of the work done, the excess is classified as deferred income. Where billing is less than the value of work done, the excess is classified as accrued income.

4. Employees

The Company has no employees other than the directors no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

5. Debtors

2021	2020
£000	£000

BLINK ENTERTAINMENT DISTRIBUTION LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Debtors (continued)

Amounts owed by group undertakings	445	445
Other debtors	-	69
	<u>445</u>	<u>514</u>

6. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Other taxation and social security	9	8
	<u>9</u>	<u>8</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

BLINK ENTERTAINMENT DISTRIBUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
2 (2020 - 2) Ordinary shares of £1.00 each	-	-

Ordinary Share Rights

The Company's ordinary shares have attached to them voting, dividend and capital distribution (including on winding up) rights but do not confer any rights of redemption.

8. Contingent liabilities

The Company is party to a composite guarantee with TC Loans (CBILS) Limited, under which there is an aggregate potential liability of £2,500,000.

TC Loans (CBILS) Limited holds a fixed and floating charge over all assets, property and undertaking of the Company in respect of a loan agreement entered into by the Company's parent.

9. Related party transactions

The Company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transactions is wholly owned by a member of that group.

Rockpool (Security Trustee Limited) has a fixed and floating charge over all the property or undertaking of the Company.

10. Controlling party

The Company is a subsidiary of Blink Entertainment Limited, a Company registered in the United Kingdom.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 19 August 2022 by Kate Barekati (Senior statutory auditor) on behalf of Ecovis Wingrave Yeats LLP.