

**CHEAT LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**CHEAT LIMITED**

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**CHEAT LIMITED**  
**REGISTERED NUMBER:08129703**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

		31 December 2022 £	31 July 2021 £
	Note		
<b>Fixed assets</b>			
Intangible assets	4	20,255	21,306
Tangible assets	5	231,970	304,211
		<u>252,225</u>	<u>325,517</u>
<b>Current assets</b>			
Debtors	6	549,625	306,997
Cash at bank and in hand		203,552	133,247
		<u>753,177</u>	<u>440,244</u>
Creditors: amounts falling due within one year	7	(1,022,583)	(288,933)
<b>Net current (liabilities)/assets</b>		<u>(269,406)</u>	<u>151,311</u>
<b>Total assets less current liabilities</b>		<u>(17,181)</u>	<u>476,828</u>
Creditors: amounts falling due after more than one year	8	(106,333)	(178,525)
<b>Provisions for liabilities</b>			
Deferred tax	11	(49,652)	(31,367)
<b>Net (liabilities)/assets</b>		<u><u>(173,166)</u></u>	<u><u>266,936</u></u>
<b>Capital and reserves</b>			
Called up share capital		200	200
Share premium account		34,110	34,110
Profit and loss account		(207,476)	232,626
		<u><u>(173,166)</u></u>	<u><u>266,936</u></u>

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**CHEAT LIMITED**  
**REGISTERED NUMBER:08129703**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

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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 statement of comprehensive income 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 by:

**T Tomkins**  
Director

Date: 18 December 2023

The notes on pages 3 to 12 form part of these financial statements.

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## CHEAT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

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#### 1. General information

Cheat Limited is a limited liability company incorporated in England and Wales with its registered office at 2 Television Centre 101 Wood Lane, 1st Floor, London, W12 7FR.

The principal activity of the company was of post-production picture finishing services.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Going concern

At 31 December 2022, the Company had net current liabilities of £284,427 (period ended 31 July 2021: £151,311 net current assets) and has received written confirmation in the form of a letter of support from an intermediate parent company, MMS UK Holdings Limited, that it will provide the necessary funds to enable the Company to meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of these financial statements.

The directors have prepared detailed budgets and financial forecasts taking into account expected future trading performance and the support level received. Having assessed the position of the immediate parent company, the directors have a reasonable expectation that the Company has reasonable resources and support to continue in operational existence for the foreseeable future, being a period of at least twelve months from the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

##### 2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years
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**CHEAT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Short-term leasehold property	- straight line over period of lease
Plant and machinery	- straight line over useful life
Office equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.6 Debtors**

Short-term debtors are measured at transaction price, less any impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty.

**2.8 Creditors**

Short-term creditors are measured at the transaction price.

**2.9 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.10 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is £ Sterling.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.11 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.12 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.14 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.15 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.16 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.17 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.18 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.



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**CHEAT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.19 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**3. Employees**

The average monthly number of employees, including directors, during the period was 19 (2021 - 18).

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CHEAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

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4. Intangible assets

	Brand Development £
<b>Cost</b>	
At 1 August 2021	28,371
Additions	9,750
	<hr/>
At 31 December 2022	38,121
	<hr/>
<b>Amortisation</b>	
At 1 August 2021	7,065
Charge for the period on owned assets	10,801
	<hr/>
At 31 December 2022	17,866
	<hr/>
<b>Net book value</b>	
At 31 December 2022	<hr/> <u>20,255</u>
At 31 July 2021	<hr/> <u>21,306</u>

**CHEAT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

**5. Tangible fixed assets**

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 August 2021	92,164	605,493	38,570	736,227
Additions	2,669	67,148	2,072	71,889
At 31 December 2022	<u>94,833</u>	<u>672,641</u>	<u>40,642</u>	<u>808,116</u>
<b>Depreciation</b>				
At 1 August 2021	81,165	328,437	22,414	432,016
Charge for the period on owned assets	12,444	113,141	6,304	131,889
Charge for the period on financed assets	-	12,241	-	12,241
At 31 December 2022	<u>93,609</u>	<u>453,819</u>	<u>28,718</u>	<u>576,146</u>
<b>Net book value</b>				
At 31 December 2022	<u>1,224</u>	<u>218,822</u>	<u>11,924</u>	<u>231,970</u>
At 31 July 2021	<u>10,999</u>	<u>277,056</u>	<u>16,156</u>	<u>304,211</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 December 2022 £	31 July 2021 £
Plant and machinery	<u>33,360</u>	<u>123,438</u>

**CHEAT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

**6. Debtors**

	<b>31 December 2022 £</b>	<b>31 July 2021 £</b>
Trade debtors	<b>488,525</b>	169,020
Amounts owed by group undertakings	<b>3,750</b>	2,400
Other debtors	<b>40,236</b>	25,215
Prepayments and accrued income	<b>17,114</b>	110,362
	<b><u>549,625</u></b>	<b><u>306,997</u></b>

**7. Creditors: Amounts falling due within one year**

	<b>31 December 2022 £</b>	<b>31 July 2021 £</b>
Bank loans	<b>60,667</b>	45,924
Trade creditors	<b>171,652</b>	88,203
Amounts owed to group undertakings	<b>125,828</b>	-
Taxation and social security	<b>277,731</b>	91,718
Obligations under finance lease and hire purchase contracts	<b>12,678</b>	48,207
Other creditors	<b>35,927</b>	5,531
Accruals and deferred income	<b>338,100</b>	9,350
	<b><u>1,022,583</u></b>	<b><u>288,933</u></b>

**8. Creditors: Amounts falling due after more than one year**

	<b>31 December 2022 £</b>	<b>31 July 2021 £</b>
Bank loans	<b>106,333</b>	168,667
Net obligations under finance leases and hire purchase contracts	<b>-</b>	9,858
	<b><u>106,333</u></b>	<b><u>178,525</u></b>

**CHEAT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Loans**

Analysis of the maturity of loans is given below:

	<b>31 December 2022 £</b>	<b>31 July 2021 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	<b>60,667</b>	45,924
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>106,333</b>	168,667
	<u><b>167,000</b></u>	<u>214,591</u>

**10. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>31 December 2022 £</b>	<b>31 July 2021 £</b>
Within one year	<b>12,678</b>	48,470
Between 1-5 years	<b>-</b>	9,858
	<u><b>12,678</b></u>	<u>58,328</u>

**11. Deferred taxation**

	<b>2022 £</b>
At beginning of year	<b>(31,367)</b>
Charged to profit or loss	<b>(18,285)</b>
<b>At end of year</b>	<u><b>(49,652)</b></u>

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**CHEAT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**11. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	<b>31 December 2022 £</b>	31 July 2021 £
Accelerated capital allowances	<u><b>(49,652)</b></u>	<u><b>(31,367)</b></u>

**12. Share capital**

	<b>31 December 2022 £</b>	31 July 2021 £
<b>Allotted, called up and fully paid</b>		
200 (2021 - 200) Ordinary shares of £1 each	<u><b>200</b></u>	<u><b>200</b></u>

**13. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £26,161 (2021 - £12,864). Contributions totalling £27,730 (2021 - £5,221) were payable to the fund at the reporting date and are included in creditors.

**14. Controlling party**

Until 30 September 2022, the ultimate parent undertaking was Swuite Ltd, a company incorporated in England and Wales and the ultimate controlling party was Tobias Tomkins through his 100% shareholding of the ultimate parent undertaking. On this date the entire share capital of Swuite Ltd was acquired by MMS UK Holdings Limited, a subsidiary of Publicis Groupe S.A..

Subsequent to 30 September 2022, Publicis Groupe S.A., incorporated in France has been the ultimate parent undertaking, controlling party and the parent undertaking of the largest and smallest group to include the Company in its group financial statements. Copies of its consolidated financial statements are available from 133 Avenue des Champs Elysees, 75008 Paris, France.

**15. Auditors' information**

The auditors' report on the financial statements for the period ended 31 December 2022 was unqualified.

The audit report was signed on 18 December 2023 by Hazel Young (Senior Statutory Auditor) on behalf of Sopher + Co LLP.



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