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**COFFEE AND TV LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**COFFEE AND TV LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	C Chard P Hurrell D Moore J Trussler R D Bellingham L R Green (resigned 17 June 2022)
<b>Registered number</b>	08258929
<b>Registered office</b>	3rd Floor Waverley House 7-12 Noel Street London W1F 8GQ
<b>Independent auditors</b>	Ecovis Wingrave Yeats LLP Chartered Accountants & Statutory Auditor 3rd Floor Waverley House 7-12 Noel Street London W1F 8GQ

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**COFFEE AND TV LIMITED**

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## COFFEE AND TV LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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#### Introduction

The directors present their strategic report on the Company for the year ended 31 March 2023.

#### Business review

The Company is a full-service creative studio where ideas are meticulously crafted into motion. The principal activities of the business are to provide digital visual effects services to a wide range of clients including advertising, broadcasters, streaming services, musicians as well as B2B.

During the year, the Company delivered large scale productions and moved further into film and episodic VFX, both revenue streams showing growth. Advertising revenue was challenging following the strong rebound from COVID in the prior year.

#### Plans for future development

The Company moved into a new purpose-built studio in Clerkenwell during the year. This provides sufficient space for anticipated future growth and should cement the Company's reputation as a destination partner in the VFX industry, one where all clients and artists enjoy being together. Further growth is anticipated to come from advertising as hopefully inflation cools, and the economic situation improves as well as a continued push into film and episodic.

#### Principal risks and uncertainties

The Company continues to have a solid balance sheet with sufficient cash reserves to carry it through any prolonged UK economic downturn or medium-term worsening of the global geopolitical situation and related global recession.

As such, the Company sees that the principal risk comes from AI. Either through the creative industries transforming in ways not yet foreseen or from not being at the forefront of adoption and thus seeing quality of output not keep pace with competitors.

Further margin pressures may also come.

#### Financial key performance indicators

The Company continued to grow turnover during the period albeit at a reduced margin. Turnover was up 8.5% driven by production and film and episodic.

Margins reduced from 69.1% to 66.7% mainly driven by increased costs of the move from Soho to Clerkenwell. A number of these costs were one off.

The following are financial key performance indicators:

	Revenue	NPBT Margins	Current Ratio	Debt Ratio
2023	£10,464,369	7.2%	4.89	0.28
2022	£9,640,273	18.2%	4.31	0.25

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## COFFEE AND TV LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Other key performance indicators

The Company is committed to its B Corp Status and operates with a view to People and Planet as well as Profit. Our sustainability reporting includes tracking our carbon emissions. The figures for each calendar year are as follows:

Calendar Year	2022	2021	2020	2019
Total carbon emissions (tCO <sub>2</sub> e)	262	114	154	252

We were able to reduce emissions by 39% after year one and a further 21% after year two. In 2022 our carbon emissions rose dramatically, this was largely due to the growth of our team and a new studio build, which meant more technology purchased.

Additionally, after COVID, short-haul flights increased moderately again. Unfortunately, there are two significant areas which currently cannot be tracked in the climate essentials tool:

- Furniture and materials for the new studio were bought used/from recycled materials (certified BREEAM) in 2022/23;
- Our technology life cycle assessment emissions are reduced through restored products, 100% renewable energy use, and tech donation.

This report was approved by the board on 30/11/23

and signed on its behalf.

D Moore  
Director



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## COFFEE AND TV LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their report and the financial statements for the year ended 31 March 2023.

#### Directors

The directors who served during the year were:

C Chard  
P Hurrell  
D Moore  
J Trussler  
R D Bellingham  
L R Green (resigned 17 June 2022)

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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**COFFEE AND TV LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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This report was approved by the board on 30/11/23

and signed on its behalf.

*D. J. Moore.*

**D Moore**  
Director

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## COFFEE AND TV LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COFFEE AND TV LIMITED

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#### Opinion

We have audited the financial statements of Coffee and TV Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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



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## COFFEE AND TV LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COFFEE AND TV LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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## COFFEE AND TV LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COFFEE AND TV LIMITED (CONTINUED)

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#### Auditors' 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 Auditors' 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.

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:

- We considered our general commercial and sector experience and held a discussion with the Directors and other management personnel to identify laws and regulations that could reasonably be expected to have a material effect on the financial statements.
- We determined that the laws and regulations which are directly relevant to the financial statements are those that relate to the reporting framework (Financial Reporting Standard 102 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the Company operates. We evaluated the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- In addition, there are other significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to environmental, occupational health and safety, General Data Protection Regulation (GDPR), fraud, bribery and corruption. For these laws and regulations, the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through fines or litigation being imposed. As required by the auditing standards, auditing procedures in respect of non-compliance with these identified laws and regulations are limited to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit risk.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with a number of individuals, including with individuals outside of the finance function, and conducted interviews to understand where they considered there was susceptibility to fraud. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimate and judgement in the financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we remained alert to any indications of non-compliance throughout the audit. The specific audit procedures performed included:
  - Review of Board minutes;
  - Reviewed large and unusual bank transactions;
  - Challenging assumptions and judgements made by management in its significant accounting estimates, and identifying and testing journal entries;
  - Review of legal and professional fee expenditure;
  - Review of manual journal entries posted in the period including specific key word searches, related party transactions and large and unusual items.

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## COFFEE AND TV LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COFFEE AND TV LIMITED (CONTINUED)

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There are inherent limitations of an audit. There is a higher risk that irregularities, including fraud, will not be detected during the audit as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The primary responsibility for the prevention and detection of non-compliance with all laws and regulations and fraud lies with both those charged with governance of the entity and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 them in an Auditors' 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.

*Kate Barekati*

Kate Barekati (Senior Statutory Auditor)

for and on behalf of

**Ecovis Wingrave Yeats LLP**

Chartered Accountants & Statutory Auditor

3rd Floor Waverley House

7-12 Noel Street

London

W1F 8GQ

Date:

30/11/23

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**COFFEE AND TV LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

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	Note	2023 £	2022 £
Turnover	4	10,464,369	9,640,273
Cost of sales		(6,611,276)	(5,153,099)
<b>Gross profit</b>		<b>3,853,093</b>	<b>4,487,174</b>
Administrative expenses		(3,112,961)	(2,734,708)
Other operating income		22,396	-
<b>Operating profit</b>		<b>762,528</b>	<b>1,752,466</b>
Interest receivable and similar income		5,052	31
Interest payable and similar expenses		(17,831)	(666)
<b>Profit before tax</b>		<b>749,749</b>	<b>1,751,831</b>
Tax on profit	11	(181,666)	140,542
<b>Profit for the financial year</b>		<b>568,083</b>	<b>1,892,373</b>

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 12 to 28 form part of these financial statements.

**COFFEE AND TV LIMITED**  
**REGISTERED NUMBER: 08258929**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	1,698,859	448,121
Investments	14	-	1,001
		<u>1,698,859</u>	<u>449,122</u>
<b>Current assets</b>			
Debtors due after more than 1 year	16	215,390	-
Debtors due within 1 year	16	2,230,181	2,620,749
Bank and cash balances		2,880,143	3,658,663
		<u>5,325,714</u>	<u>6,279,412</u>
Creditors: amounts falling due within one year	17	(1,088,807)	(1,457,554)
<b>Net current assets</b>		<u>4,236,907</u>	<u>4,821,858</u>
<b>Total assets less current liabilities</b>		<u>5,935,766</u>	<u>5,270,980</u>
Creditors: amounts falling due after more than one year	18	(770,136)	(109,721)
<b>Provisions for liabilities</b>			
Deferred tax	21	(283,129)	(102,841)
		<u>(283,129)</u>	<u>(102,841)</u>
<b>Net assets</b>		<u><u>4,882,501</u></u>	<u><u>5,058,418</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	40	40
Profit and loss account	23	4,882,461	5,058,378
		<u><u>4,882,501</u></u>	<u><u>5,058,418</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
30/11/23

**D Moore**  
Director

*D. J. Moore*

The notes on pages 12 to 28 form part of these financial statements.

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**COFFEE AND TV LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 April 2021</b>	<b>40</b>	<b>3,966,005</b>	<b>3,966,045</b>
Profit for the year	-	1,892,373	1,892,373
Dividends: Equity capital	-	(800,000)	(800,000)
	<hr/>	<hr/>	<hr/>
<b>At 1 April 2022</b>	<b>40</b>	<b>5,058,378</b>	<b>5,058,418</b>
Profit for the year	-	568,083	568,083
Dividends: Equity capital	-	(744,000)	(744,000)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2023</b>	<b>40</b>	<b>4,882,461</b>	<b>4,882,501</b>
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The notes on pages 12 to 28 form part of these financial statements.

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## COFFEE AND TV LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 1. General information

Coffee and TV Limited is a private company, limited by shares, incorporated in England and Wales, registration number 08258929. The registered office is 3rd Floor Waverley House, 7-12 Noel Street, London, W1F 8GQ. The principal place of business is 83 Clerkenwell Road, The Skipper Building, London, EC1R 5AR.

#### 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

##### 2.3 Going concern

After making the relevant enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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## COFFEE AND TV LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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## 2. Accounting policies (continued)

### 2.4 Revenue

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, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover represents amounts receivable for the post-production of visual effects net of VAT and trade discounts.

For long term contracts, profit is recognised by reference to the stage of completion of each contract where there is reasonable certainty that the contract will be profitable. Revenue is recognised based on the amount of costs incurred as a percentage of the total expected costs at completion.

### 2.5 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.

### 2.6 Interest income

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

### 2.7 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.



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## COFFEE AND TV LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 2. Accounting policies (continued)

##### 2.8 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.

##### 2.9 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives range as follows:

Long-term leasehold property	- over life of the lease
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

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.

##### 2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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## COFFEE AND TV LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 2. Accounting policies (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

#### 2.11 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### 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.

#### 2.12 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.

#### 2.13 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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## COFFEE AND TV LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 2. Accounting policies (continued)

##### 2.14 Current and deferred taxation

The tax expense for the year 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 balance sheet 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 balance sheet 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 balance sheet date.

##### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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## COFFEE AND TV LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

##### Tangible fixed assets

Fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. 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. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 13 for the carrying amount of tangible fixed assets.

##### Revenue recognition

Management continually assess the projected total costs of production and revenue is recognised on the bases of these estimates.

Where projects are in progress at the year end and where billing exceeds the value of work completed, the excess is classified as deferred income and is shown within creditors. Similarly, where the value of work completed exceeds billing then an adjustment is made to accrue for the additional revenue to be recognised.

##### Dilapidation provision

During the year the Company entered into a new operating lease which contains an obligating clause to reinstate the premises to its original condition and remove all alterations and additions made to it. Whilst a reliable estimate could be made of the cost of any obligations, at the balance sheet date the directors do not consider that the requirement to settle the obligation would be probable. As such, no amount has been provided for with regards to dilapidations in these financial statements.

#### 4. Turnover

The whole of the turnover is attributable to the one principal activity of the Company.

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	7,745,219	8,748,883
Rest of Europe	752,701	372,680
Rest of the world	1,966,449	518,710
	<u>10,464,369</u>	<u>9,640,273</u>

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**COFFEE AND TV LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**5. Operating profit**

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation on tangible fixed assets	304,513	293,879
Exchange differences	(44,513)	(13,550)
	<u>                    </u>	<u>                    </u>

**6. Auditors' remuneration**

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	13,000	10,600
<b>Fees payable to the Company's auditors in respect of:</b>		
All non-audit services not included above	9,920	3,150
	<u>                    </u>	<u>                    </u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	3,667,014	2,648,672
Social security costs	478,085	291,061
Cost of defined contribution scheme	333,503	281,763
	<u>4,478,602</u>	<u>3,221,496</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Employees	67	52
	<u>                    </u>	<u>                    </u>

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**COFFEE AND TV LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**8. Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>46,381</b>	<b>55,097</b>
Company contributions to defined contribution pension schemes	<b>214,743</b>	<b>211,407</b>
	<b><u>261,124</u></b>	<b><u>266,504</u></b>

The highest paid director received remuneration of £13,020 (2022 - £12,500).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £54,743 (2022 - £40,000).

**9. Interest receivable**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<b><u>5,052</u></b>	<b><u>31</u></b>

**10. Interest payable and similar expenses**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>10,097</b>	<b>-</b>
Finance lease interest payable	<b>7,734</b>	<b>666</b>
	<b><u>17,831</u></b>	<b><u>666</u></b>

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**COFFEE AND TV LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**11. Taxation**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	-	(196,356)
Adjustments in respect of previous periods	<b>1,378</b>	(1,436)
	<u><b>1,378</b></u>	<u>(197,792)</u>
<b>Total current tax</b>	<u><b>1,378</b></u>	<u>(197,792)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>180,288</b>	42,853
Effect of tax rate change on opening balance	-	14,397
<b>Total deferred tax</b>	<u><b>180,288</b></u>	<u>57,250</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u><b>181,666</b></u>	<u>(140,542)</u>

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COFFEE AND TV LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - *lower than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	749,749	1,751,831
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	142,452	332,848
<b>Effects of:</b>		
Expenses not deductible for tax purposes	41,505	17,394
Fixed asset differences	(47,790)	(18,881)
Adjustments to brought forward values	(255)	-
Adjustments to tax charge in respect of prior periods	1,378	(1,436)
Surrender of tax losses for R&D tax credit refund	-	61,090
Other permanent differences	852	(63)
Additional deduction for R&D expenditure	-	(561,288)
Remeasurement of deferred tax for changes in tax rates	43,189	24,682
Movement in deferred tax not recognised	335	5,112
<b>Total tax charge for the year</b>	<b>181,666</b>	<b>(140,542)</b>

At the time of signing these financial statements the quantum of the research and development claim was not yet finalised. As a result, no estimate has been included within these financial statements and any tax credit receivable will therefore be recognised in the subsequent financial period.

12. Dividends

	2023 £	2022 £
Dividends paid on equity capital	744,000	800,000



**COFFEE AND TV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**13. Tangible fixed assets**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2022	305,605	37,426	1,039,037	1,382,068
Additions	981,406	143,377	430,468	1,555,251
Disposals	(275,168)	-	-	(275,168)
At 31 March 2023	1,011,843	180,803	1,469,505	2,662,151
<b>Depreciation</b>				
At 1 April 2022	275,461	37,426	621,060	933,947
Charge for the year	58,105	13,676	232,732	304,513
Disposals	(275,168)	-	-	(275,168)
At 31 March 2023	58,398	51,102	853,792	963,292
<b>Net book value</b>				
At 31 March 2023	953,445	129,701	615,713	1,698,859
At 31 March 2022	30,144	-	417,977	448,121

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

	2023 £	2022 £
Computer equipment	128,438	-
	128,438	-

Assets held under finance leases included in computer equipment consists of monitors.

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**COFFEE AND TV LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**14. Fixed asset investments**

	Investments in subsidiary companies £
At 1 April 2022	1,001
Disposals	(1,001)
	<hr/>
At 31 March 2023	-
<b>Net book value</b>	
At 31 March 2023	-
	<hr/> <hr/>
At 31 March 2022	1,001
	<hr/> <hr/>

On 30th December 2022, the Company entered into a share for share exchange with its immediate parent, Coffee and TV Group Limited resulting in the transfer of all investments to Coffee and TV Group Limited.

**15. Subsidiary undertaking**

**16. Debtors**

	2023 £	2022 £
<b>Due after more than one year</b>		
Other debtors	215,390	-
	<hr/>	<hr/>
	215,390	-
<b>Due within one year</b>		
Trade debtors	1,175,077	1,791,447
Amounts owed by group undertakings	654,423	310,532
Other debtors	235,056	241,956
Prepayments and accrued income	165,625	276,814
	<hr/>	<hr/>
	2,445,571	2,620,749
	<hr/> <hr/>	<hr/> <hr/>

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

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COFFEE AND TV LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £	2022 £
Bank loans	140,000	-
Trade creditors	240,948	627,684
Amounts owed to group undertakings	1,001	1,001
Other taxation and social security	289,826	417,595
Obligations under finance lease and hire purchase contracts	114,119	51,963
Other creditors	42,278	28,166
Accruals and deferred income	260,635	331,145
	<u>1,088,807</u>	<u>1,457,554</u>

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

See Note 19 for details surrounding the bank loan.

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

	2023 £	2022 £
Bank loans	525,000	-
Net obligations under finance leases and hire purchase contracts	245,136	109,721
	<u>770,136</u>	<u>109,721</u>

See Note 19 for details surrounding the bank loan.

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**COFFEE AND TV LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**19. Loans**

Analysis of the maturity of loans is given below:

	2023 £	2022 £
<b>Amounts falling due within one year</b>		
Bank loans	140,000	-
	<u>140,000</u>	<u>-</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	525,000	-
	<u>525,000</u>	<u>-</u>
	<u><u>665,000</u></u>	<u><u>-</u></u>

The Company has a loan of £665,000 outstanding at the year end that is repayable to Coutts & Co. The loan matures over a term of 5 years from 15 December 2022 and accrues interest of 6.25% per annum. The loan is secured by a fixed and floating charge over all assets of the Company. The loan was subsequently repaid on 28 October 2023 and the charge satisfied.

**20. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	114,119	51,963
Between 1-5 years	245,136	109,721
	<u>359,255</u>	<u>161,684</u>

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COFFEE AND TV LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**21. Deferred taxation**

	2023 £
At beginning of year	(102,841)
Charged to profit or loss	(180,288)
<b>At end of year</b>	<b>(283,129)</b>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	(394,405)	(107,440)
Short term timing difference	6,525	4,599
Losses and other deductions	104,751	-
	<b>(283,129)</b>	<b>(102,841)</b>

**22. Share capital**

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
40 (2022 - 40) Ordinary shares of £1.00 each	40	40

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**23. Reserves**

**Profit and loss account**

The profit and loss account comprises of accumulated profits.

**24. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in the independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £333,503 (2022 - £281,763). Contributions totalling £26,097 (2022 - £18,398) were payable to the fund at the balance sheet date and are included in creditors.

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## COFFEE AND TV LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 25. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	215,390	35,901
Later than 1 year and not later than 5 years	1,489,437	-
Later than 5 years	-	-
	<u>1,704,827</u>	<u>35,901</u>

During the year the Company incurred operating leases expenses totalling £704,368 (2022 - £268,848).

#### 26. Transactions with directors

During the year a director provided consultancy services to the Company totalling £16,000 (2022 - £48,000). The Company had outstanding amounts owed to another director at year end totalling £371 (2022 - £Nil).

#### 27. Related party transactions

The Company has taken the exemption under FRS 102 section 33 Related Party Disclosures paragraph 33.1A, whereby the Company is not required to disclose transactions with other wholly owned subsidiaries.

#### 28. Post balance sheet events

Subsequent to the year-end, the Company distributed dividends of £501,000.

The Coutts & Co bank loan was repaid in full on 28 October 2023 and the charge in relation to this satisfied.

On 8 November 2023 the group was sold to Biscotti Holdings Limited who control 60% of the share capital in the parent company. The Company is still wholly owned by Coffee and TV Group Limited.

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**COFFEE AND TV LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**29. Controlling party**

Coffee and TV Group Limited is the immediate parent company by virtue of its 100% shareholding in the company. The address of its registered office is 3rd Floor Waverley House, 7-12 Noel Street, London, United Kingdom, W1F 8GQ.

To the date of these financial statements, Coffee and TV Group Limited was jointly owned by J Chard, J Hurrell, D Moore and J Trussler who are directors of the Company, and so there is not deemed to be any one single ultimate controlling party.

From 8 November 2023, the ultimate parent undertaking and controlling party is Omnicom Group Inc., a company incorporated in the United States of America. Copies of the group financial statements are available from 280 Park Avenue, New York, NY 10017, United States of America.