

Passion Holdings Limited

Annual Report and Financial Statements

For the year ended 31 March 2023



Company Registration No. 10418071 (England and Wales)

Passion Holdings Limited

Company Information

Directors	A R Ruhemann R Stannett D Allen P Magyar N Southgate R Johnston D Crosscup M Bodin-Joyeux	 (Appointed 4 July 2022) (Appointed 2 May 2023) (Appointed 2 May 2023)
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Company number	10418071
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Registered office	33-34 Rathbone Place London United Kingdom W1T 1JN
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Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
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Passion Holdings Limited

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Passion Holdings Limited

Strategic Report

For the year ended 31 March 2023

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

Principal activity

Passion Holdings Limited (the "group") is an animation and film studio producing commercials, games trailers, long form film and TV shows, music videos, and other story-driven content.

Fair review of the business

Turnover increased significantly during the year however Operating losses grew as the Group continued its strategy of reinvesting to grow its TV and long form animation, games trailer and documentary divisions.

Creatively, the Group continued to produce award-winning work including: Love, Death and Robots for Netflix; The Rescue for National Geographic and Once Upon a Time in Northern Ireland for the BBC. During the year the animation studio worked with major brands such as META, Barbour, Epic Games and produced the BAFTA nominated Your Mountain is Waiting.

Whilst the strategy of investing in key growth areas continued to have an impact on the Group's short-term profitability, the Board are nevertheless content with the results for the year in the context of the global economic downturn.

Principal risks and uncertainties

As the Company operates within a highly competitive and global market, the primary risks to its business model continue to be the attraction and retention of key talent and the loss of key contracts. The Company maintains its philosophy of high-quality craftsmanship and story-telling to respond to these risks by actively searching for promising young artists and creators, by investing in its staff and new technology and by cultivating an inclusive and creative culture.

Last year the Board noted the increased level of uncertainty caused by the global recession and this has proven to be sustained and is still being felt in many of the markets in which the Group operates. This means that whilst the Board supports the strategy of investment in the key areas that it believes will deliver the most consistent growth over the long term, some shorter term tactical decisions have been necessary and in the months following the year end the Group has taken steps to reduce its overheads and to provide additional funds for working capital.

As a consequence the Board continues to believe that the Group has sufficient cash on hand and credit facilities to mitigate any further short term pressure. The Board nevertheless monitors closely its overhead base and the adequacy of its working capital facilities and will not hesitate to take further action if necessary.

Future development

The Group is a global creative business that spans a wide range of media and so the Board continuously monitor global macro-economic conditions as well as industry specific trends and technological advancements such as the development and use of AI tools in many of the fields in which it operates.

The Board does not believe that there will be any material reduction in uncertainty in the short term and will continue to plan and operate accordingly.

Passion Holdings Limited

Strategic Report (Continued)

For the year ended 31 March 2023

Key performance indicators

The Directors continuously review the Group's operations using a number of KPI's to measure its ongoing and projected future financial performance. In particular the Directors monitor revenue and performance against new business targets, gross margins, overheads, EBITDA and cash generation.

This year, the Group's revenue was £ 50,707,120 (2022: £37,157,889) with an operating loss of £(4,170,067) (2022: operating loss : £ 807,039). The Board's preferred measure of profitability is Adjusted EBITDA which reflects the importance of creative tax credits in financing productions, as can be seen from the table below. In its internal reporting, the Group reports tax credits in Turnover and so in addition to the reclassification of this item in the statutory accounts having a material effect on reported Operating Profits, the current treatment also impacts reported gross margins which on an adjusted basis were 21% during the year, compared to 27% in the prior year.

		2023	2022
	Notes	£	£
Operating loss (as reported)		(4,170,067)	(807,039)
Add back:			
Depreciation of tangible fixed assets	4	433,005	252,774
Amortisation of intangible assets	4	747,020	570,079
Loss/(profit) on disposal of tangible fixed assets	4	88,373	(2,656)
EBITDA		(2,901,669)	13,158
Film tax credits	10	2,473,618	531,400
Adjusted EBITDA		(428,051)	544,558

This report was approved by the Board and signed on its behalf.



R Stannett
Director

Date: 21 DECEMBER 2023

Passion Holdings Limited

Directors' Report

For the year ended 31 March 2023

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

Principal activities

The principal activity of the company and group continued to be that of an animation and film studio producing commercials, feature television and short films, music videos, and other story-driven content.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a further dividend.

Directors

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

A R Ruhemann
R Stannett
D Allen
P Magyar
N Southgate
R Johnston
D Crosscup
M Bodin-Joyeux

(Appointed 4 July 2022)

(Appointed 2 May 2023)

(Appointed 2 May 2023)

Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the group 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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board



R Stannett
Director

Date: 20 DECEMBER 2023

Passion Holdings Limited

Directors' Responsibilities Statement

For the year ended 31 March 2023

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 group and company will continue in business.

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

Passion Holdings Limited

Independent Auditor's Report

To the Members of Passion Holdings Limited

Opinion

We have audited the financial statements of Passion Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at 31 March 2023 and of the group's loss 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1.3 in the financial statements, which indicates finance covenants were breached in the year and Barclays Bank indicated their continued support but not guaranteed it. As stated in note 1.3 these events or conditions, along with the other matters as set forth in note 1.3 indicate that a material uncertainty exists, if, in the future, Barclays Bank do not continue to support the group and alternative funds cannot be raised. This may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Passion Holdings Limited

Independent Auditor's Report (Continued)

To the Members of Passion Holdings Limited

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

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 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 group's and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Passion Holdings Limited

Independent Auditor's Report (Continued)

To the Members of Passion Holdings Limited

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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Passion Holdings Limited

Independent Auditor's Report (Continued)

To the Members of Passion Holdings Limited

Explanation as to what extent the audit was considered 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

Joanna Cosgrove

**Joanna Cosgrove (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP**

Date: 22 December 2023

**Chartered Accountants
Statutory Auditor**

Charlotte Building
17 Gresse Street
London
W1T 1QL

Passion Holdings Limited

Group Statement of Comprehensive Income

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	3	50,707,120	37,157,889
Cost of sales		(41,823,532)	(27,455,890)
Gross profit		8,883,588	9,701,999
Administrative expenses		(13,993,191)	(10,910,337)
Other operating income		939,536	401,299
Operating loss	4	(4,170,067)	(807,039)
Interest receivable and similar income	8	1,071	296
Interest payable and similar expenses	9	(190,064)	(96,770)
Loss before taxation		(4,359,060)	(903,513)
Tax on loss	10	2,339,052	718,659
Loss for the financial year		(2,020,008)	(184,854)
Loss for the financial year is attributable to:			
- Owners of the parent company		(1,928,522)	(119,798)
- Non-controlling interests		(91,486)	(65,056)
		(2,020,008)	(184,854)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(1,928,522)	(119,798)
- Non-controlling interests		(91,486)	(65,056)
		(2,020,008)	(184,854)

Passion Holdings Limited

Group Statement Of Financial Position

As at 31 March 2023


		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Net goodwill	12		1,545,916		2,101,473
Other intangible assets	12		675,721		863,424
Tangible assets	13		1,401,107		1,251,508
Investments	14		-		50
			<u>3,622,744</u>		<u>4,216,455</u>
Current assets					
Work in progress	17	2,402,080		3,971,530	
Debtors	18	9,420,844		10,472,569	
Cash at bank and in hand		6,581,600		7,960,835	
		<u>18,404,524</u>		<u>22,404,934</u>	
Creditors: amounts falling due within one year	19	(19,189,574)		(18,681,987)	
Net current (liabilities)/assets			<u>(785,050)</u>		<u>3,722,947</u>
Total assets less current liabilities			<u>2,837,694</u>		<u>7,939,402</u>
Creditors: amounts falling due after more than one year	20	(1,659,533)		(1,901,977)	
Provisions for liabilities					
Provisions	23	(32,953)		(31,699)	
Deferred tax liability	24	(112,668)		(106,896)	
		<u>(145,621)</u>		<u>(138,595)</u>	
Net assets			<u>1,032,540</u>		<u>5,898,830</u>
Capital and reserves					
Called up share capital	27		20		20
Share premium account			758,341		749,997
Capital redemption reserve			50		50
Profit and loss reserves			715,431		4,771,555
			<u>1,473,842</u>		<u>5,521,622</u>
Equity attributable to owners of the parent company			<u>1,473,842</u>		<u>5,521,622</u>
Non-controlling interests			<u>(441,302)</u>		<u>377,208</u>
			<u>1,032,540</u>		<u>5,898,830</u>

Passion Holdings Limited

Group Statement Of Financial Position (Continued)

As at 31 March 2023

The financial statements were approved by the board of directors and authorised for issue on 21 December 2023 and are signed on its behalf by:



R Stannett
Director

Passion Holdings Limited

Company Statement Of Financial Position

As at 31 March 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	14		2,278,559		2,278,560
Current assets					
Debtors	18	3,319,712		3,184,725	
Creditors: amounts falling due within one year	19	(1,235,334)		(1,734,190)	
Net current assets			2,084,378		1,450,535
Total assets less current liabilities			4,362,937		3,729,095
Creditors: amounts falling due after more than one year	20		(802,462)		(102,462)
Net assets			3,560,475		3,626,633
Capital and reserves					
Called up share capital	27		20		20
Share premium account			758,341		749,997
Other reserves			-		1
Profit and loss reserves			2,802,114		2,876,615
Total equity			3,560,475		3,626,633

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £74,501 (2022 - £4,419,842 profit).

The financial statements were approved by the board of directors and authorised for issue on 21 DECEMBER 2023 and are signed on its behalf by:



R Stannett
Director

Company Registration No. 10418071

Passion Holdings Limited

Group Statement of Changes in Equity For the year ended 31 March 2023

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 April 2021		20	749,997	50	5,085,778	5,835,845	1,066,129	6,901,974
Year ended 31 March 2022:								
Loss and total comprehensive income for the year		-	-	-	(119,798)	(119,798)	(65,056)	(184,854)
Dividends	11	-	-	-	(158,640)	(158,640)	-	(158,640)
Acquisition of subsidiary		-	-	-	-	-	(2,659)	(2,659)
Purchase of shares in subsidiary from non-controlling interest		-	-	-	(35,785)	(35,785)	(621,206)	(656,991)
Balance at 31 March 2022		20	749,997	50	4,771,555	5,521,622	377,208	5,898,830
Year ended 31 March 2023:								
Loss and total comprehensive income for the year		-	-	-	(1,928,522)	(1,928,522)	(91,486)	(2,020,008)
Issue of share capital	27	-	8,344	-	-	8,344	-	8,344
Dividends	11	-	-	-	(500,000)	(500,000)	-	(500,000)
Reserves transfer resulting from step acquisition		-	-	-	(2,854,626)	(2,854,626)	-	(2,854,626)
Purchase of shares in subsidiary from non-controlling interest		-	-	-	727,024	727,024	(727,024)	-
Other movements		-	-	-	500,000	500,000	-	500,000
Balance at 31 March 2023		20	758,341	50	715,431	1,473,842	(441,302)	1,032,540

In Passion Holdings Limited, £1,500,000 was recognised in the year ended 31 March 2021 as a liability to a shareholder arising out of his agreement with other shareholders. At that time the £1,500,000 wasn't declared as a dividend but recognised as a bonus expense instead. In the current year, £500,000 out of the £1,500,000 liability was settled and declared as a dividend payment. The previous £500,000 bonus expense recognised in retained earnings was reversed, with a decrease in equity (ie. dividend paid) instead.

Passion Holdings Limited

Company Statement of Changes in Equity

For the year ended 31 March 2023

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2021		20	749,997	1	(1,543,227)	(793,209)
Year ended 31 March 2022:						
Profit and total comprehensive income for the year		-	-	-	4,419,842	4,419,842
Balance at 31 March 2022		20	749,997	1	2,876,615	3,626,633
Year ended 31 March 2023:						
Loss and total comprehensive income for the year		-	-	-	(74,501)	(74,501)
Issue of share capital	27	-	8,344	-	-	8,344
Dividends	11	-	-	-	(500,000)	(500,000)
Transfers		-	-	(1)	-	(1)
Other movements		-	-	-	500,000	500,000
Balance at 31 March 2023		20	758,341	-	2,802,114	3,560,475

£1,500,000 was recognised in the year ended 31 March 2021 as a liability to a shareholder arising out of his agreement with other shareholders. At that time the £1,500,000 wasn't declared as a dividend but recognised as a bonus expense instead. In the current year, £500,000 out of the £1,500,000 liability was settled and declared as a dividend payment. The previous £500,000 bonus expense recognised in retained earnings was reversed, with a decrease in equity (ie. dividend paid) instead.

Passion Holdings Limited

Group Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	32	699,748		966,691	
Interest paid		(83,195)		(96,771)	
Income taxes refunded/(paid)		1,228,608		(50,308)	
Net cash inflow from operating activities		1,845,161		819,612	
Investing activities					
Purchase of intangible assets		(3,760)	(1,993,705)		
Purchase of tangible fixed assets		(528,153)	(515,433)		
Proceeds on disposal of tangible fixed assets		7,896	67,748		
Purchase of subsidiaries		(1,731,634)	-		
Receipts from associates		-	72,755		
Interest received		1,071	296		
Net cash used in investing activities		(2,254,580)		(2,368,339)	
Financing activities					
Proceeds from issue of shares		8,344	-		
Repayment of preference shares		-	2,462		
Repayment/(drawing) of directors accounts		(436,327)	-		
Proceeds from borrowings		700,000	-		
Proceeds of new bank loans		-	1,000,000		
Repayment of bank loans		(820,627)	(436,274)		
Payment of finance lease obligations		(49,406)	(29,907)		
Purchase of shares in subsidiary from non-controlling interest		-	(656,991)		
Dividends paid to non-controlling interests		-	(158,640)		
Dividends paid to shareholders		(500,000)	-		
Net cash used in financing activities		(1,098,016)		(279,350)	
Net decrease in cash and cash equivalents		(1,507,435)		(1,828,077)	
Cash and cash equivalents at beginning of year		7,960,832		9,795,626	
Effect of foreign exchange rates		(1,524)		(6,714)	
Cash and cash equivalents at end of year		6,451,873		7,960,835	
Relating to:					
Cash at bank and in hand		6,581,600		7,960,835	
Bank overdrafts included in creditors payable within one year		(129,727)		-	

Passion Holdings Limited

Notes to the Financial Statements

For the year ended 31 March 2023

1 Accounting policies

Company information

Passion Holdings Limited ("the company") is a private limited company limited by shares, domiciled and incorporated in England and Wales. The registered office is: 33-34 Rathbone Place, London, United Kingdom, W1T 1JN.

The group consists of Passion Holdings Limited and all of its subsidiaries.

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. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company Passion Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.3 Going concern

Passion Pictures Limited breached some of the financial covenants provisions in its Bank Facility Agreements for the year ended 31 March 2023, therefore the element of the loan which is due to be repaid after more than one year £1.132m has been reclassified as a current liability in its financial statements and those of the Group. In December 2023, Barclays Bank provided a Comfort Letter acknowledging the breaches and stated that it expects but does not guarantee to continue to provide the facilities under the existing terms and conditions and does not intend to take any action as a result of any actual or potential breaches. This is subject to ongoing credit committee approval.

As discussed in the strategic report, the Board has considered the possibility of reduced cash balances in the short term, resulting from the continuing climate of economic uncertainty. They have prepared group forecasts and cashflows for a period of 12 months following the signing of these financial statements. As a result of an assessment of these forecasts together with a review of cash in hand and available credit facilities the directors have a reasonable expectation that the group and parent company will continue to be able to meet its liabilities as they fall due and therefore adopt the going concern basis in preparing these financial statements.

The Board however acknowledges that a material uncertainty exists, if, in the future, Barclays Bank do not continue to support the group and alternative funds cannot be raised.

1.4 Turnover

Turnover from production services in the making of TV commercials, films, series and television programmes is recognised by reference to the stage of completion of the contract. This is determined by the value of the services provided at the balance sheet date as a proportion of the total value of the project. Excess production funds received are treated as deferred income and held on the balance sheet until further costs are incurred. At this point the deferred income is released to the statement of comprehensive income as turnover. When the outcome cannot be reliably estimated, turnover is recognised only to the extent that expenses recognised are recoverable.

Turnover from licensing agreements is recognised when the film, series or television program is initially available to the licensee, or on sale.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life of either 3, 5, or 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

Amortisation 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:

Intellectual property	5 years straight line
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1.7 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:

Freehold buildings	Straight line over 40 years
Leasehold improvements	Over the remaining period of the lease
Computer equipment	3 years straight line
Fixtures and fittings	4 years straight line
Motor vehicles	5 years straight line

Freehold land is not depreciated.

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 recognised in the statement of comprehensive income.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

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

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the group and parent company financial statements, investments in associates are accounted for at cost less impairment.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

1.10 Work in progress

Work in progress relates to costs incurred on projects in progress at the year end measured at the lower of cost and net realisable value.

1.11 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 bank loans and overdrafts in current liabilities.

1.12 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

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.

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 group 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 of its liabilities.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group 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 group.

Hedge accounting

The group designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.14 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 income statement 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

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 income statement, 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 if, and only if, there is 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.

1.15 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.

1.16 Retirement benefits

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

1.17 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Grants

The group receives non-government grants, which are recognised at the fair value of the asset received or receivable, when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.20 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.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The significant judgements made by management in applying the group's accounting policies (apart from those involving estimates) which have had the most significant effect on amounts recognised in the financial statements are as follows:

Revenue recognition

Significant management judgement is required in determining the revenue recognition method to apply to each job as there are a few different types of revenue; licences, production service contracts and development agreements.

The type of revenue recognition to apply is based on the terms of the contract for the project and depend on who the risk lies with.

Production service contracts are based on percentage stage of completion which is used to determine the amount of revenue and related costs recognised in the profit and loss account for the year.

Freehold land and buildings

The directors have applied judgement in determining the split of land and buildings for the purpose of depreciating the property. There is no depreciation attributed to the freehold land.

Useful life of goodwill

Management reviews the useful lives of intangible assets at each reporting date. At the reporting date management assesses that the useful lives represent the expected utility of the assets to the Group.

Impairment of goodwill

At the reporting date an impairment review has been completed as to whether an impairment loss should be recognised for the amount by which the assets or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Deferred consideration

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

2 Judgements and key sources of estimation uncertainty

(Continued)

The cost of business combinations for Zoulou Productions includes an estimated amount of contingent consideration, based on the future turnover of Passion Paris Productions SAS, a company that both Passion Pictures Limited and Zoulou Productions have an investment in. The estimated amount is concluded to be probable, measured reliably and is adjusted for any change in contingent consideration after the acquisition date. The measurement of estimate consideration payable is based on forecasts, changed to actual performance and has the potential to cause material adjustments to the financial statements.

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
Animation and film production	50,707,120	37,157,889
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	14,017,839	9,990,506
Rest of Europe	15,314,592	11,612,783
Rest of World	21,374,689	15,554,600
	50,707,120	37,157,889

4 Operating loss

	2023 £	2022 £
Operating 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	(414,922)	83,156
Government grants	-	(96)
Depreciation of owned tangible fixed assets	433,005	252,774
Loss/(profit) on disposal of tangible fixed assets	88,373	(2,656)
Amortisation of intangible assets	747,020	570,079
Operating lease charges	782,234	722,144

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

5 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	25,000	38,875
Audit of the financial statements of the company's subsidiaries	99,100	133,310
	<u>124,100</u>	<u>172,185</u>
For other services		
Taxation compliance services	23,700	26,895
All other non-audit services	21,437	20,789
	<u>45,137</u>	<u>47,684</u>

6 Employees

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

Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
233	214	6	5

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	11,509,603	11,531,297	54,509	-
Social security costs	1,406,347	2,149,061	-	-
Pension costs	566,845	307,224	-	-
	<u>13,482,795</u>	<u>13,987,582</u>	<u>54,509</u>	<u>-</u>

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	997,267	944,402
Company pension contributions to defined contribution schemes	40,780	-
	<u>1,038,047</u>	<u>944,402</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	<u>385,004</u>	<u>390,652</u>

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	677	296
Other interest income	394	-
Total income	<u>1,071</u>	<u>296</u>

9 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>190,064</u>	<u>96,770</u>

10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	(2,445,045)	(598,856)
Adjustments in respect of prior periods	-	9,863
Total current tax	<u>(2,445,045)</u>	<u>(588,993)</u>

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

10 Taxation

(Continued)

	2023 £	2022 £
Deferred tax		
Origination and reversal of timing differences	105,993	(129,666)
Total tax credit	(2,339,052)	(718,659)

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

	2023 £	2022 £
Loss before taxation	(4,359,060)	(903,513)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)</i>	(828,221)	(171,667)
Tax effect of expenses that are not deductible in determining taxable profit	70,324	109,056
Tax effect of income not taxable in determining taxable profit	(397,435)	-
Change in unrecognised deferred tax assets	1,065,898	163,641
Effect of change in corporation tax rate	(229,085)	(124,607)
Other permanent differences	471,291	40
Under/(over) provided in prior years	-	9,863
Deferred tax adjustments in respect of prior years	(1,363)	3,031
Fixed asset difference	(13,557)	51,766
Rounding	-	(3)
Withholding tax	-	(11,138)
Foreign tax (difference in tax rates)	(5,577)	(223,048)
UK creative tax credits	(2,473,618)	(531,400)
Other movements	2,291	5,807
Taxation credit	(2,339,052)	(718,659)

11 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Final paid	-	158,640
Interim paid	500,000	-
	500,000	158,640

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

12 Intangible fixed assets

Group	Goodwill	Negative goodwill	Development costs	Intellectual property	Total
	£	£	£	£	£
Cost					
At 1 April 2022	2,933,977	(1,031,141)	40,089	950,002	2,892,927
Additions	-	-	3,760	-	3,760
At 31 March 2023	2,933,977	(1,031,141)	43,849	950,002	2,896,687
Amortisation and impairment					
At 1 April 2022	766,033	(964,670)	-	126,667	(71,970)
Amortisation charged for the year	583,830	(28,273)	1,462	190,001	747,020
At 31 March 2023	1,349,863	(992,943)	1,462	316,668	675,050
Carrying amount					
At 31 March 2023	1,584,114	(38,198)	42,387	633,334	2,221,637
At 31 March 2022	2,167,944	(66,471)	40,089	823,335	2,964,897

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

13 Tangible fixed assets

Group	Freehold buildings	Leasehold land and buildings	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	699,091	568,287	1,415,582	482,463	121,960	3,287,383
Additions	-	-	577,873	96,593	-	674,466
Disposals	-	-	(129,982)	-	(3,206)	(133,188)
Exchange adjustments	20,853	-	(3,295)	14,829	-	32,387
At 31 March 2023	719,944	568,287	1,860,178	593,885	118,754	3,861,048
Depreciation and impairment						
At 1 April 2022	124,038	486,919	1,027,377	366,543	30,998	2,035,875
Depreciation charged in the year	17,297	40,684	296,357	54,916	23,751	433,005
Eliminated in respect of disposals	-	-	(14,352)	-	(5,206)	(19,558)
Exchange adjustments	3,315	-	(58)	7,362	-	10,619
At 31 March 2023	144,650	527,603	1,309,324	428,821	49,543	2,459,941
Carrying amount						
At 31 March 2023	575,294	40,684	550,854	165,064	69,211	1,401,107
At 31 March 2022	575,053	81,368	388,205	115,920	90,962	1,251,508

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	2,278,559	2,278,560
Investments in associates		-	50	-	-
		-	50	2,278,559	2,278,560

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Shares in
associates
£

Cost or valuation

At 1 April 2022

50

Disposals

(50)

At 31 March 2023

-

Carrying amount

At 31 March 2023

-

At 31 March 2022

50

Movements in fixed asset investments Company

Shares in
subsidiaries
£

Cost or valuation

At 1 April 2022

2,278,560

Disposals

(1)

At 31 March 2023

2,278,559

Carrying amount

At 31 March 2023

2,278,559

At 31 March 2022

2,278,560

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Passion Pictures Limited	1	Ordinary	100	-
Passion Docs Limited	1	Ordinary	100	-
Passion Pictures (Films) Limited	1	Ordinary	100	-
Passion Pictures Animation Limited	1	Ordinary	100	-
Passion Planet Limited	1	Ordinary	70	-
Passion Pictures Corp *	2	Ordinary	-	100
Passion Paris Productions SAS *	3	Ordinary	-	100
Passion SCI +++	3	Ordinary	-	100
Passion Pictures Barcelona SL *	4	Ordinary	-	100
Mutnik Productions Limited *	1	Ordinary	-	100
PDSPV Limited ** ~	1	Ordinary	-	100
Final Account Films Limited ***	1	Ordinary	-	100
Freebird Productions Limited ***	1	Ordinary	-	100
JB Film Limited ***	1	Ordinary	-	100
E Kitten SPV Limited *** ~	1	Ordinary	-	100
Manoir Productions Limited ***	1	Ordinary	-	100
Passion Goodes Limited ***	1	Ordinary	-	100
Wilding Productions Limited ++	1	Ordinary	-	70
Passion SHP Limited *** ~	1	Ordinary	-	100
Keo Films Limited	1	Ordinary	51	-
Wildlife Warriors SPV Ltd +++++	5	Ordinary	-	51
One In A Million SPV Ltd +++++	5	Ordinary	-	51
Chimp Empire SPV Ltd +++++	5	Ordinary	-	51
Keo Holdings Australia Pty Ltd++++	6	Ordinary	-	51
Merkel Films Limited **	1	Ordinary	-	100
NAB Productions Limited +	1	Ordinary	-	100
Kombbo SAS +++	3	Ordinary	-	100
Smoke SPV Ltd +++++ ~	5	Ordinary	-	51
Keo Films Australia Pty Ltd +++++	6	Ordinary	-	51
Passion Features Limited	1	Ordinary	100	-
Zoulou Productions *	3	Ordinary	-	100
C R Film Ltd **	1	Ordinary	-	100
Keo Films SPV 1 Ltd +++++	5	Ordinary	-	51

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

15 Subsidiaries

(Continued)

Registered office addresses (all UK unless otherwise indicated):

- 1 - 33-34 Rathbone Place, London, United Kingdom, W1T 1JN
- 2 - 11601 Wilshire Blvd, Suite 2180, Los Angeles, CA 90025
- 3 - 61, Rue de Chabrol, 75010 Paris, France
- 4 - Tallers, 22, 08001, Barcelona, Spain
- 5 - 101 St. John Street, London, United Kingdom, EC1M 4AS
- 6 - Moore Park, NSW, Australia, 2021

- * Owned by Passion Pictures Limited
- ** Owned by Passion Docs Limited
- *** Owned by Passion Pictures (Films) Limited
- + Owned by Passion Pictures Animation Limited
- ++ Owned by Passion Planet Limited
- +++ Owned by Passion Paris Productions SAS
- ++++ Owned by Keo Films Limited
- +++++ Owned by Keo Holdings Australia Pty Ltd

~ These subsidiaries changed name during the year or prior to the accounts being signed. The details are as follows:

- PDSPV Limited changed its name from HOWC Limited on 20 March 2023.
- E Kitten SPV Limited changed its name from Lady Boss Limited on 15 June 2023.
- Passion SHP Limited changed its name from CLL Productions Limited on 14 April 2023.
- Smoke SPV Ltd changed its name from Fixed SPV Ltd on 15 June 2023.

The following subsidiaries were exempt from audit by virtue of s479A of Companies Act 2006:

Mutnik Productions Limited
PDSPV Limited
Final Account Films Limited
Freebird Productions Limited
JB Film Limited
E Kitten SPV Limited
Manoir Productions Limited
Passion Goodes Limited
Wilding Productions Limited
Passion SHP Limited
Wildlife Warriors SPV Ltd
One In A Million SPV Ltd
Chimp Empire SPV Ltd
Merkel Films Limited
NAB Productions Limited
Smoke SPV Ltd
Passion Features Limited
C R Film Ltd

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

15 Subsidiaries

(Continued)

On 13 February 2023, Passion Pictures Limited, a 100% subsidiary of Passion Holdings Limited, acquired 100% of the share capital of Zoulou Productions for £2.9m. As part of this transaction, the group obtained full ownership of Passion Paris Productions SAS, Passion SCI, and Kombbo SAS. The previous group shareholdings were 87%, 86%, and 55% respectively.

It was deemed that Zoulou was a holding company for its investment into Passion Paris Productions SAS and thus that the acquisition was an extension of the step acquisition of Passion Paris Productions SAS. Therefore, no goodwill has been recognised on the transaction and the balance has been recognised as a transfer to reserves.

16 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	367,265	136,347	-	-
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	367,265	136,347	-	-

Hedging arrangements

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. At 31 March 2023, the outstanding contracts all mature within 12 months (2022: more than 12 months) of the year end. The group is committed to sell US \$6,702,326 (2022: \$5,500,000) and receive a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD. The fair value of the forward-foreign currency contracts is £5,420,840 (2022: £4,156,367), with a change in fair value loss of £230,918 (2022: £136,347) recognised in profit and loss.

The change in fair value of the hedged item, the foreign currency receivable, has resulted in a fair value gain of £230,918 (2022: £136,347) recognised in profit and loss.

17 Work in progress

	Group 2023 £	2022 £	Company 2023 £	2022 £
Work in progress	2,402,080	3,971,530	-	-

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

18 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,657,565	6,118,024	-	-
Corporation tax recoverable	1,862,156	929,228	-	-
Amounts owed by group undertakings	-	-	3,302,598	3,174,625
Derivative financial instruments	367,265	136,347	-	-
Other debtors	3,302,760	2,449,759	17,114	10,100
Prepayments and accrued income	1,154,794	662,686	-	-
	<u>9,344,540</u>	<u>10,296,044</u>	<u>3,319,712</u>	<u>3,184,725</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 24)	<u>76,304</u>	<u>176,525</u>	<u>-</u>	<u>-</u>
Total debtors	<u>9,420,844</u>	<u>10,472,569</u>	<u>3,319,712</u>	<u>3,184,725</u>

19 Creditors: amounts falling due within one year

		Group 2023	2022	Company 2023	2022
	Notes	£	£	£	£
Bank loans and overdrafts	21	1,986,437	807,419	-	-
Obligations under finance leases	22	49,013	11,286	-	-
Trade creditors		2,187,870	2,433,161	8,400	42,600
Amounts owed to group undertakings		-	-	90,777	90,755
Corporation tax payable		50,545	68,905	-	-
Other taxation and social security		2,084,644	1,189,336	-	-
Other creditors		2,213,520	1,876,733	1,088,857	1,535,086
Accruals and deferred income		10,617,545	12,295,147	47,300	65,749
		<u>19,189,574</u>	<u>18,681,987</u>	<u>1,235,334</u>	<u>1,734,190</u>

There is a fixed and floating charge over the company's assets held by Barclays Bank plc.

At the year end, the company was subject to a debenture and cross guarantee for Passion Pictures Animation Limited, Passion Pictures Limited, Passion Docs Limited, Passion Planet Limited, Passion Pictures (Films) Limited, Keo Films Limited, PDSPV Limited, JB Film Limited, Merkel Films Limited and Wilding Productions Limited.

The bank loans covenant terms were breached in the year and therefore have been reclassified as short-term creditors in line with FRS 102 paragraph 4.7. The carrying amount of the loans at the year end date amounted to £1,856,119, the terms of the loans have been renegotiated with the bank post year end.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

20 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	21	-	1,762,638	-	-
Obligations under finance leases	22	71,200	-	-	-
Other borrowings	21	102,462	102,462	102,462	102,462
Other creditors		1,485,871	36,877	700,000	-
		<u>1,659,533</u>	<u>1,901,977</u>	<u>802,462</u>	<u>102,462</u>

21 Loans and overdrafts

		Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans		1,856,713	2,570,057	-	-
Bank overdrafts		129,724	-	-	-
Preference shares		102,462	102,462	102,462	102,462
		<u>2,088,899</u>	<u>2,672,519</u>	<u>102,462</u>	<u>102,462</u>
Payable within one year		1,986,437	807,419	-	-
Payable after one year		<u>102,462</u>	<u>1,865,100</u>	<u>102,462</u>	<u>102,462</u>

The long-term loans are secured by fixed and floating charges over all assets of the group.

In the year ended 31 March 2021, the group took out a £2m Coronavirus Business Interruption Loan for working capital purposes.

The margin payable on the loan is 3.3% per annum and is payable quarterly in arrears.

The term of the loan is 5 years from the drawdown date.

In the year ended 31 March 2022, the group took out a £1m Sterling Term Loan to aid in the acquisition of another company's assets.

The margin payable on the loan is 3.25% per annum and is payable quarterly in arrears.

The term of the loan is 3 years from the drawdown date.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

22 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	49,013	11,286	-	-
In two to five years	71,200	-	-	-
	<u>120,213</u>	<u>11,286</u>	<u>-</u>	<u>-</u>

23 Provisions for liabilities

	Group 2023 £	2022 £	Company 2023 £	2022 £
Royalty provision	<u>32,953</u>	<u>31,699</u>	<u>-</u>	<u>-</u>

Movements on provisions:

Group	Royalty provision £
At 1 April 2022	31,699
Additional provisions in the year	1,254
At 31 March 2023	<u>32,953</u>

24 Deferred taxation

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

Group	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
Accelerated capital allowances	112,668	106,896	-	-
Tax losses	-	-	-	171,475
Retirement benefit obligations	-	-	5,814	5,050
Intangibles	-	-	70,490	-
	<u>112,668</u>	<u>106,896</u>	<u>76,304</u>	<u>176,525</u>

The company has no deferred tax assets or liabilities.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

24 Deferred taxation

(Continued)

	Group 2023 £	Company 2023 £
Movements in the year:		
Net asset at 1 April 2022	(69,629)	-
Charge to profit or loss	105,993	-
Net liability at 31 March 2023	<u>36,364</u>	<u>-</u>

The deferred tax asset set out above is mostly expected to reverse after 12 months and relates to the difference in accounting and tax treatment on intangibles held within the group. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

25 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>566,845</u>	<u>301,899</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

26 Share-based payment transactions

Company	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 April 2022	-	-	-	-
Granted	2,480	-	70.05	-
Forfeited	(149)	-	51.00	-
Outstanding at 31 March 2023	2,331	-	71.27	-
Exercisable at 31 March 2023	-	-	-	-

The options outstanding at 31 March 2023 had an exercise price ranging from £51 to £114 and a remaining contractual life of 9 years.

Company

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

27 Share capital

Group and company	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary A of 0.1p each	15,000	15,000	15	15
Ordinary B of 0.1p each	3,000	3,000	3	3
Ordinary C of 0.1p each	2,000	2,000	2	2
Ordinary D of 0.1p each	149	-	-	-
	20,149	20,000	20	20

The A, B and C Ordinary Shares rank pari-passu in all respects. These classes of Ordinary shares entitle the holder to one vote on a poll.

The D Ordinary shares do not entitle the holder to one vote on a poll nor rights to participate in a distribution as respects dividends

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

27 Share capital

(Continued)

During the year, 149 D shares of 0.1p were issued for total consideration of £8,344. This has been reflected in an increase to share premium of £8,344.

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	700,205	370,403	-	-
Between two and five years	2,307,762	662,589	-	-
In over five years	-	133,333	-	-
	<u>3,007,967</u>	<u>1,166,325</u>	<u>-</u>	<u>-</u>

29 Events after the reporting date

On 21 April 2023, a loan of £700,000 made to the Company by a close family member of key management personnel was converted to A preference shares. These preference shares have an 8% cumulative, non-compounding preferential dividend and are redeemable at the discretion of the board but must be redeemed on or prior to an exit.

On 24 October 2023, further loans totaling £300,000 were made to the Company by directors of the Company. The loans accrue interest at a rate of 10% per annum and the loans plus any accrued interest are repayable on the tenth anniversary of the agreement or earlier at the option of the Company.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

30 Related party transactions

1. Entities with control, joint control or significant influence over the entity (investors)

None.

2. Entities over which the entity has control, joint control or significant influence (investees)

During the year the company transacted with investees not wholly owned in the group. Interest charged totalled £97,812 (2022: £Nil). Credits totalled £Nil (2022: £1,750,100). Receipts totalled £451,750 (2022: £Nil). The balance outstanding at the year-end was £1,396,162 debit (2022: £1,750,100 debit).

The group has taken exemption under FRS 102 paragraph 33.1A not to disclose related party transactions that are wholly owned within the group.

3. Key management personnel of the entity or its parent (in the aggregate)

During the year the company had loan accounts with key management personnel. Advances totalled £Nil (2022: £Nil) and credits totalled £52,083 (2022: £33,003). The balance outstanding at the year-end was £78,825 credit (2022: £35,086 credit).

During the year the company issued shares to key management personnel for £8,344 (2022: £nil). For further details, see the share capital note.

During the year the group transacted with key management personnel. Purchases amounted to £6,477 (2022: £7,245). The balance outstanding at the year-end was £Nil (2022: £Nil).

During the year the group had loan accounts with key management personnel. Advances totalled £108,808 (2022: £276,384) and credits totalled £52,083 (2022: £33,003). The balances outstanding at the year-end were £71,699 debit (2022: £38,820 debit).

4. Entities that provide key management personnel services to the entity

During the prior year the group transacted with companies that provided key management personnel services. Purchases for 2023 amounted to £nil (2022: £12,000). The balance outstanding at year-end was £nil (2022: £nil).

5. Other related parties

During the year the group transacted with close family of key management personnel. Loans received amounted to £700,000 (2022: £nil). The balance outstanding at the year-end was £700,000 (2022: £Nil).

During the year the group transacted with entities controlled by key management personnel. Purchases amounted to £152,787 (2022: £101,769). The balances outstanding at the year-end were £16,000 credit (2022: £Nil).

31 Controlling party

The ultimate controlling party is A Ruhemann by virtue of his majority shareholding in Passion Holdings Limited.

Passion Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

32 Cash generated from group operations

	2023 £	2022 £
Loss for the year after tax	(2,020,008)	(184,854)
Adjustments for:		
Taxation credited	(2,339,052)	(718,659)
Finance costs	190,064	96,770
Investment income	(1,071)	-
Loss/(gain) on disposal of tangible fixed assets	88,373	(2,656)
Amortisation and impairment of intangible assets	747,020	570,079
Depreciation and impairment of tangible fixed assets	433,005	252,774
Increase in provisions	1,254	31,699
Movements in working capital:		
Decrease/(increase) in stocks	1,569,450	(1,689,944)
Decrease/(increase) in debtors	2,573,869	(4,960,349)
(Decrease)/increase in creditors	(543,156)	7,571,831
Cash generated from operations	699,748	966,691

33 Analysis of changes in net funds - group

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	7,960,835	(1,379,235)	6,581,600
Bank overdrafts	-	(129,724)	(129,724)
	7,960,835	(1,508,959)	6,451,876
Borrowings excluding overdrafts	(2,672,516)	713,344	(1,959,172)
Obligations under finance leases	(11,286)	(108,927)	(120,213)
	5,277,033	(904,542)	4,372,491