

Company Registration No. 05587621 (England and Wales)

Marv Studios Limited

**Annual report and
group financial statements
for the year ended 30 June 2020**



Marv Studios Limited

Company information

Directors Matthew De Vere Drummond
Claudia De Vere Drummond

Company number 05587621

Registered office 11 Portland Mews
London
United Kingdom
W1F 8JL

Independent auditor Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

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Marv Studios Limited

Strategic report

For the year ended 30 June 2020

The directors present the strategic report for the year ended 30 June 2020.

Fair review of the business

The principal activity of the group during the period continued to be the provision of film production services, film distribution and brand licensing and management of the Kingsman and Claudia Schiffer brands.

The group made a profit for the period of £18,427,964 (2019: £11,539,519).

The group's net assets as at the balance sheet date are £80,799,410 (2019: £62,371,446).

The company made a profit for the period of £11,784,623 (2019: £21,281,753).

The company's net assets as at the balance sheet date are £73,072,917 (2019: £61,288,294).

Principal risks and uncertainties

The group is involved in several film projects which have both short term and long term profit-making prospects. The directors consider the principal risk to the business to be government changes to the UK tax incentives, which would have a material and detrimental impact on the UK film industry as a whole. The group is diversifying by working on commercial licensing and merchandising projects, which should offset some of the inherent risks of the industry.

The group is also exposed to currency exchange rate risk due to a significant proportion of its contractual arrangements being denominated in non-sterling currencies, principally US dollars. The net exposure is monitored and managed by the use of forward foreign exchange contracts, currency loans or overdrafts. The forward foreign exchange contracts all mature within 12 months.

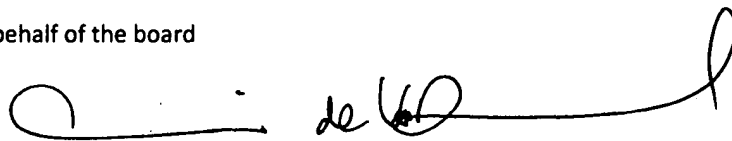
Key performance indicators

The directors consider the group's key performance indicator to be revenue. Based on this indicator the results are deemed to be satisfactory.

Other performance indicators

The directors have concluded that the group does not have any non-financial key performance indicators.

On behalf of the board



.....
Claudia De Vere Drummond
Director

Date: 21 June 2021
.....

Marv Studios Limited

Directors' report

For the year ended 30 June 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

Principal activities

The principal activity of the company and group continued to be the provision of film production services, film distribution, brand licensing and management of the Kingsman and Claudia Schiffer brands.

Directors

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

Matthew De Vere Drummond
Claudia De Vere Drummond

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid (2019: £nil). The directors do not recommend payment of a final dividend.

Post reporting date events

The company and group have continued to respond to the ongoing COVID-19 pandemic, and the impact of this is set out in more detail below.

Impact of COVID-19

Production on the projects in which the group was involved has not been significantly affected and the group has been able to secure sufficient financing for its needs. However, due to the impact of the pandemic on the cinema industry, there has been a delay to the exploitation of certain film rights, which has had an impact both before and after the balance sheet date. This impact is expected to be temporary and of a one-off nature, and in particular the directors are satisfied that the group remains a going concern.

Future developments

The group continues to expand its film catalogue with a number of productions to start in the forthcoming year. Additionally, the group will continue to grow its merchandising business as well as the creation and exploitation of music rights.

Auditor

The auditor, Saffery Champness LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties.

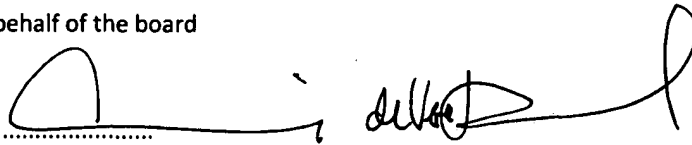
Marv Studios Limited

Directors' report (continued)
For the year ended 30 June 2020

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



.....
Claudia De Vere Drummond
Director

Date: 21 June 2021

Directors' responsibilities statement
For the year ended 30 June 2020

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.

Opinion

We have audited the financial statements of Marv Studios Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, 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 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 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 30 June 2020 and of the group's 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 Auditor's 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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the *going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue*.

Independent auditor's report (continued)
To the members of Marv Studios Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent auditor's report (continued)
To the members of Marv Studios Limited

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 the 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Darren Drake (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

25 June 2021
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Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Marv Studios Limited

Group statement of comprehensive income
For the year ended 30 June 2020

	Notes	2020 £	2019 £
Turnover	3	126,600,046	12,557,960
Cost of sales		(116,828,326)	(2,508,879)
Gross profit		9,771,720	10,049,081
Administrative expenses		(2,673,950)	(2,892,545)
Other operating income		66,279	-
Operating profit	4	7,164,049	7,156,536
Interest receivable and similar income	7	484,955	346,569
Interest payable and similar expenses	8	(955,937)	(1,195,181)
Impairment of intangible assets		-	(6,781,509)
Profit/(loss) before taxation		6,693,067	(473,585)
Tax on profit/(loss)	9	11,698,361	12,013,104
Profit for the financial year		18,391,428	11,539,519

Profit for the financial year is all attributable to the owners of the parent company.

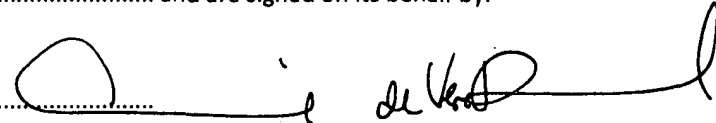
Total comprehensive income for the year is all attributable to the owners of the parent company.

Marv Studios Limited

**Group statement of financial position
As at 30 June 2020**

	Notes	£	2020 £	£	2019 £
Fixed assets					
Intangible assets	10		7,774,036		8,718,886
Tangible assets	11		6,082,920		257,234
Investments	12		1,162,537		-
			<u>15,019,493</u>		<u>8,976,120</u>
Current assets					
Stocks	16	175,051		88,278,718	
Debtors	17	30,644,834		22,644,731	
Cash at bank and in hand		50,115,380		47,838,574	
			<u>80,935,265</u>	<u>158,762,023</u>	
Creditors: amounts falling due within one year	19	(5,554,796)		(96,634,100)	
Net current assets			<u>75,380,469</u>		<u>62,127,923</u>
Total assets less current liabilities			<u>90,399,962</u>		<u>71,104,043</u>
Creditors: amounts falling due after more than one year	20		(9,600,552)		(8,732,597)
Net assets			<u><u>80,799,410</u></u>		<u><u>62,371,446</u></u>
Capital and reserves					
Called up share capital	22		13,892,932		13,892,932
Profit and loss reserves			66,906,478		48,478,514
Total equity			<u><u>80,799,410</u></u>		<u><u>62,371,446</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21 June 2021 and are signed on its behalf by:


 Claudia De Vere Drummond
 Director

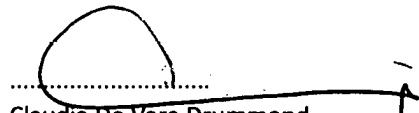
Marv Studios Limited

**Company statement of financial position
As at 30 June 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10	6,403,690		7,378,515	
Tangible assets	11	285,871		257,234	
Investments	12	6,794,849		1,556,411	
		<u>13,484,410</u>		<u>9,192,160</u>	
Current assets					
Stocks	16	73,462	-		
Debtors	17	31,125,906	23,947,593		
Cash at bank and in hand		46,694,932	44,341,191		
		<u>77,894,300</u>	<u>68,288,784</u>		
Creditors: amounts falling due within one year	19	<u>(8,705,241)</u>	<u>(7,460,053)</u>		
Net current assets		69,189,059		60,828,731	
Total assets less current liabilities		<u>82,673,469</u>		<u>70,020,891</u>	
Creditors: amounts falling due after more than one year	20	(9,600,552)		(8,732,597)	
Net assets		<u>73,072,917</u>		<u>61,288,294</u>	
Capital and reserves					
Called up share capital	22	13,892,932		13,892,932	
Profit and loss reserves		59,179,985		47,395,362	
Total equity		<u>73,072,917</u>		<u>61,288,294</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £11,784,623 (2019 - £21,281,753).

The financial statements were approved by the board of directors and authorised for issue on 21 June 2021..... and are signed on its behalf by:


Claudia De Vere Drummond
Director

Company Registration No. 05587621

Marv Studios Limited

**Group statement of changes in equity
For the year ended 30 June 2020**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2018	13,892,932	36,938,995	50,831,927
Year ended 30 June 2019:			
<i>Profit and total comprehensive income for the year</i>	-	11,539,519	11,539,519
Balance at 30 June 2019	13,892,932	48,478,514	62,371,446
Year ended 30 June 2020:			
<i>Profit and total comprehensive income for the year</i>	-	18,391,428	18,391,428
Balance at 30 June 2020	13,892,932	66,869,942	80,762,874

Marv Studios Limited

**Company statement of changes in equity
For the year ended 30 June 2020**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2018		13,892,928	26,113,609	40,006,537
Year ended 30 June 2019:				
Profit and total comprehensive income for the year		-	21,281,753	21,281,753
Issue of share capital	22	4	-	4
Balance at 30 June 2019		13,892,932	47,395,362	61,288,294
Year ended 30 June 2020:				
Profit and total comprehensive income for the year		-	11,748,087	11,748,087
Balance at 30 June 2020		13,892,932	59,143,449	73,036,381

Marv Studios Limited

Group statement of cash flows
For the year ended 30 June 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	29	86,243,610	(75,739,578)
Interest paid		(87,981)	(888,210)
Income taxes refunded		13,142,880	3,277,265
Net cash inflow/(outflow) from operating activities		99,298,509	(73,350,523)
Investing activities			
Purchase of intangible assets		(174,880)	(15,668,704)
Purchase of tangible fixed assets		(6,057,024)	(214,800)
Investment in associate		(1,700,000)	-
Interest received		484,955	318,414
Net cash used in investing activities		(7,446,949)	(15,565,090)
Financing activities			
Proceeds from issue of shares		-	4
Proceeds from the issue of preference shares		-	8,503,510
Repayment of bank loans		(89,574,754)	90,462,879
Net cash (used in)/generated from financing activities		(89,574,754)	98,966,393
Net increase in cash and cash equivalents		2,276,806	10,050,780
Cash and cash equivalents at beginning of year		47,838,574	37,787,794
Cash and cash equivalents at end of year		50,115,380	47,838,574

1 Accounting policies

Company information

Marv Studios Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is 11 Portland Mews, London, United Kingdom, W1F 8JL.

The group consists of Marv Studios Limited and all of its subsidiaries and associates as detailed in note 13 and note 14.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments and freehold property at fair value. 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 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': 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.

1 Accounting policies (continued)

1.2 Basis of consolidation

During the prior year a group reorganisation took place and as a consequence Marv Outfit Holdings Limited, Marv Outfit Productions Limited and SKA Films (Layer cake) Limited were included in the group financial statements using the merger accounting method. Accordingly, the group income statement, group statement of financial position, and the group statement of cash flows include the results, position and cashflows of these companies as if they have always been controlled by the group.

In the group financial statements, where acquisitions do not meet the definition of a group reorganisation, the acquisition cost of a business combination is the fair value at the acquisition date of the assets acquired, 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.

The group financial statements incorporate those of Marv Studios Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

In the prior year, Marv Merchandise Limited was acquired and included in the group financial statements using the acquisition method of accounting. Accordingly, the comparative group profit and loss account and statement of cash flows include the results and cash flows of Marv Merchandise Limited for the five month period from its acquisition on 25 March 2019. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

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 associates are accounted for under the equity method, under which the investment is held at original cost adjusted for the group's share of profit or loss.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements (continued)

For the year ended 30 June 2020

1 Accounting policies (continued)

1.4 Turnover

Turnover in respect of the exploitation of trademarks, IP rights and licensing agreements is recognised at the fair value of the consideration received or receivable for rights sold and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

In respect of film production, turnover represents the value of consideration received or receivable in respect of film distribution rights transferred in the period. Turnover from the sale of film distribution rights is recognised when the film is delivered to the distributor.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are made up of film participation rights and intellectual property rights. They 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 if the fair value can be measured reliably.

The intellectual property rights are recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Merchandising, brands and trademarks	straight line over 10 years
Participation rights	straight line over 5 years
Residual intellectual property rights & legacy value	straight line over 40 years
Other intellectual property rights	straight line over 3 years

1.6 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 land and buildings	2% straight line
Office equipment	Up to 33% straight line
Fixtures and fittings	33% straight line
Motor vehicles	25% straight line

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 income statement.

1 Accounting policies (continued)

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

1.7 Fixed asset investments

Equity investments that are not publicly traded 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.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

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

1 Accounting policies (continued)

1.8 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.

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.

1.9 Work In Progress

Work in progress is stated at the lower of cost and estimated selling price less costs to complete and sell. Costs comprises production costs incurred up to the balance sheet date on productions not yet delivered.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of work in progress over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 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.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, 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.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are subsequently re-measured at their fair value. Changes to the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 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.

1.13 Derivatives

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are subsequently re-measured at their fair value. Changes to the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

1 Accounting policies (continued)

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.

The tax currently recoverable includes relievable losses arising in the period as the result of film tax relief legislation. Relievable losses differ from net losses as reported in the statement of comprehensive income because they include an additional deduction relating to qualifying film development expenditure and exclude items of income or expense that are taxable or deductible in other periods, as well as items that are never taxable or deductible. The company's tax position is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 Leases

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

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions where practicable, else at the average rate over the period in which the transactions were incurred. 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 are included in the income statement for the period.

Notes to the financial statements (continued)
For the year ended 30 June 2020

2 Critical accounting 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.

The intangible assets are recognised at cost less any accumulated amortisation and impairments. Impairment reviews were carried out as at the balance sheet date based on valuations. The actual results may therefore differ from these estimates.

The freehold property is recognised at revalued cost less depreciation. Actual results may differ from the estimated value.

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Film production	125,821,909	11,966,982
Exploitation of trademarks, IP rights and licensing agreements	778,137	590,978
	<u>126,600,046</u>	<u>12,557,960</u>
	2020 £	2019 £
Other significant revenue		
Interest income	484,955	346,569
	<u>484,955</u>	<u>346,569</u>
	2020 £	2019 £
Turnover analysed by geographical market		
USA	125,845,174	11,966,993
Europe	754,872	590,967
	<u>126,600,046</u>	<u>12,557,960</u>

Notes to the financial statements (continued)
For the year ended 30 June 2020

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(1,879,844)	(1,096,464)
Depreciation of owned tangible fixed assets	231,338	77,663
Loss on disposal of investments	-	104
Amortisation of intangible assets	1,119,730	5,288,653
Impairment of intangible assets	-	6,781,509
Operating lease charges	474,864	183,347
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	58,500	93,000
Additional audit fee for 2019 financial statements	54,500	-
Audit of the financial statements of the company's subsidiaries	96,250	40,355
	<u> </u>	<u> </u>
	209,250	133,355
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	31,000	8,271
Other taxation services	11,000	9,670
All other non-audit services	11,911	22,214
	<u> </u>	<u> </u>
	53,911	40,155
	<u> </u>	<u> </u>

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Staff	47	219	21	19
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes to the financial statements (continued)
For the year ended 30 June 2020

6 Employees (continued)

Their aggregate remuneration comprised:

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Wages and salaries	1,980,150	8,427,627	1,110,976	882,818
Social security costs	291,284	799,418	187,410	(84,192)
Pension costs	22,432	14,943	15,414	14,943
	<u>2,293,866</u>	<u>9,241,988</u>	<u>1,313,800</u>	<u>813,569</u>

Director's remuneration for qualifying services during the period was £495 (2019: £Nil)

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	395,900	333,936
Other interest income	89,055	12,633
Total income	<u>484,955</u>	<u>346,569</u>

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank loans	2,469,992	988,042
Interest relating to preference shares	867,955	207,139
Other interest	87,982	-
Total finance costs	<u>3,425,929</u>	<u>1,195,181</u>

Disclosed on the income statement as follows:

Cost of sales	2,469,992	-
Interest payable and similar expenses	<u>955,937</u>	<u>1,195,181</u>

Notes to the financial statements (continued)
For the year ended 30 June 2020

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	(11,698,002)	(12,013,104)
Adjustments in respect of prior periods	(359)	-
Total current tax	(11,698,361)	(12,013,104)

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

	2020 £	2019 £
Profit/(loss) before taxation	6,693,067	(473,585)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,271,683	(89,981)
Tax effect of expenses that are not deductible in determining taxable profit	237,778	18,894,585
Tax effect of utilisation of tax losses not previously recognised	(1,184,078)	-
Change in unrecognised deferred tax assets	16,490	3,428,503
Enhanced losses arising from the film tax credit	(8,552,795)	(13,788,869)
Difference between the rate of corporation tax and the rate of relief under the film tax credit	(2,692,462)	(4,071,270)
Work in progress released	(1,053,478)	(16,386,072)
Other differences	258,501	-
Taxation credit	(11,698,361)	(12,013,104)

Notes to the financial statements (continued)
For the year ended 30 June 2020

10 Intangible fixed assets

Group	Merchandising, brands & trademarks	Participation rights	Intellectual property rights	Total
	£	£	£	£
Cost				
At 1 July 2019	12,601,599	12,776,419	3,067,106	28,445,124
Additions - business combinations	-	174,880	-	174,880
At 30 June 2020	12,601,599	12,951,299	3,067,106	28,620,004
Amortisation and impairment				
At 1 July 2019	11,261,228	8,404,021	60,989	19,726,238
Amortisation charged for the year	144,905	747,945	226,880	1,119,730
At 30 June 2020	11,406,133	9,151,966	287,869	20,845,968
Carrying amount				
At 30 June 2020	1,195,466	3,799,333	2,779,237	7,774,036
At 30 June 2019	1,340,371	4,372,398	3,006,117	8,718,886

Company	Participation rights	Intellectual property rights	Total
	£	£	£
Cost			
At 1 July 2019 and 30 June 2020	12,776,419	3,067,106	15,843,525
Amortisation and impairment			
At 1 July 2019	8,404,021	60,989	8,465,010
Amortisation charged for the year	747,945	226,880	974,825
At 30 June 2020	9,151,966	287,869	9,439,835
Carrying amount			
At 30 June 2020	3,624,453	2,779,237	6,403,690
At 30 June 2019	4,372,398	3,006,117	7,378,515

Notes to the financial statements (continued)

For the year ended 30 June 2020

11 Tangible fixed assets

Group	Freehold land and buildings	Office fixtures and equipment	Office fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2019	-	164,428	73,005	238,431	475,864
Additions	5,963,029	24,567	69,428	-	6,057,024
At 30 June 2020	5,963,029	188,995	142,433	238,431	6,532,888
Depreciation and impairment					
At 1 July 2019	-	62,596	14,810	141,224	218,630
Depreciation charged in the year	119,261	41,108	38,480	32,489	231,338
At 30 June 2020	119,261	103,704	53,290	173,713	449,968
Carrying amount					
At 30 June 2020	5,843,768	85,291	89,143	64,718	6,082,920
At 30 June 2019	-	101,832	58,195	97,207	257,234
Company	Leasehold improvements	Office fixtures and equipment	Office fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2019	-	164,428	73,005	238,431	475,864
Additions	54,912	24,567	69,428	-	148,907
At 30 June 2020	54,912	188,995	142,433	238,431	624,771
Depreciation and impairment					
At 1 July 2019	-	62,596	14,810	141,224	218,630
Depreciation charged in the year	8,193	41,108	38,480	32,489	120,270
At 30 June 2020	8,193	103,704	53,290	173,713	338,900
Carrying amount					
At 30 June 2020	46,719	85,291	89,143	64,718	285,871
At 30 June 2019	-	101,832	58,195	97,207	257,234

Marv Studios Limited

Notes to the financial statements (continued)
For the year ended 30 June 2020

12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	13	-	-	1,304,849	1,556,411
Loans to subsidiaries	13	-	-	5,490,000	-
Loans to associates	14	1,162,537	-	-	-
		<u>1,162,537</u>	<u>-</u>	<u>6,794,849</u>	<u>1,556,411</u>

Movements in fixed asset investments

Group

**Loans to
group
undertakings
and
participating
interests
£**

Cost or valuation

At 1 July 2019

-

Investment in associate

1,162,537

At 30 June 2020

1,162,537

Carrying amount

At 30 June 2020

1,162,537

At 30 June 2019

-

Notes to the financial statements (continued)
For the year ended 30 June 2020

12 Fixed asset investments (continued)

Movements in fixed asset investments

Company	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost or valuation			
At 1 July 2019	8,559,748	-	8,559,748
Additions	50	5,490,000	5,490,050
At 30 June 2020	8,559,798	5,490,000	14,049,798
Impairment			
At 1 July 2019	7,003,337	-	7,003,337
Impairment losses	251,612	-	251,612
At 30 June 2020	7,254,949	-	7,254,949
Carrying amount			
At 30 June 2020	1,304,849	5,490,000	6,794,849
At 30 June 2019	1,556,411	-	1,556,411

13 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Marv Studios Limited**Notes to the financial statements (continued)****For the year ended 30 June 2020****13 Subsidiaries (continued)**

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cloudy Productions Limited	1	Dormant company	Ordinary shares	100.00	-
Firefly Corporation	2	Film production services	Ordinary shares	100.00	-
Kick Ass Productions Limited	1	Film production services	Ordinary shares	-	100.00
Marv Beauty Limited	1	Dormant company	Ordinary shares	-	100.00
Marv Bespoke Holdings Limited	1	Holding company	Ordinary shares	100.00	-
Marv Bespoke Productions Limited	1	Film production services	Ordinary shares	-	100.00
Marv Distribution Limited	1	Holding company	Ordinary shares	100.00	-
Marv Films Development Limited	1	Film production services	Ordinary shares	100.00	-
Marv Merchandise Limited	1	Licensing & merchandising	Ordinary shares	100.00	-
Marv Music Limited	1	Holding company	Ordinary shares	100.00	-
Marv Music Recording Limited	1	Dormant company	Ordinary shares	-	100.00
Marv Outfit Holdings Limited	1	Holding company	Ordinary shares	100.00	-
Marv Outfit Productions Limited	1	Film production services	Ordinary shares	-	100.00
Marv Poets Holdings Limited	1	Dormant company	Ordinary shares	100.00	-
Marv Poets Productions Limited	1	Dormant company	Ordinary shares	-	100.00
Marv Studios Property Holdings Limited	1	Property holding company	Ordinary shares	100.00	-
Marv Tailor Holdings Limited	1	Holding company	Ordinary shares	100.00	-
Marv Tailor Productions Limited	1	Film production services	Ordinary shares	-	100.00
Marv Tailor Productions NZ (Ltd)	3	Film production services	Ordinary shares	-	100.00
Marv Uniform Holdings Limited	1	Holding company	Ordinary shares	100.00	-
Marv Uniform Productions Limited	1	Film production services	Ordinary shares	-	100.00

Registered office addresses

- 1 11 Portland Mews, London, United Kingdom, W1F 8JL
- 2 Suite 1001, 8 West 38th Street, New York, USA 10018
- 3 VCFO Group Limited, 96 St Georges Bay Road, Parnell, Auckland, New Zealand, 1052

Notes to the financial statements (continued)
For the year ended 30 June 2020

14 Associates

Details of associates at 30 June 2020 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held	
			Direct	Indirect
SN Movie Holdings Ltd	Holding company	Ordinary shares	50.00	-
SN Movie Productions Ltd	Film production services	Ordinary shares	-	50.00

The registered office of both of the associates is 11 Portland Mews, London, United Kingdom, W1F 8JL.

15 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	-	99,912	-	-

16 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Work in progress	175,051	88,278,718	73,462	-

Work in progress represents cost up to the balance sheet date on productions not yet delivered.

17 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	1,172,194	1,485,741	7,200	544,368
Corporation tax recoverable	12,107,117	13,567,721	789,112	-
Amounts owed by group undertakings	-	-	27,723,014	22,648,038
Other debtors	4,829,356	7,095,750	2,471,790	383,018
Prepayments and accrued income	12,499,631	495,519	134,790	372,169
	<u>30,608,298</u>	<u>22,644,731</u>	<u>31,125,906</u>	<u>23,947,593</u>

Notes to the financial statements (continued)
For the year ended 30 June 2020

18 Loans

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	-	89,574,754	-	-
Redeemable preference shares	8,503,510	8,503,510	8,503,510	8,503,510
Preference dividends payable	1,097,042	229,087	1,097,042	229,087
	<u>9,600,552</u>	<u>98,307,351</u>	<u>9,600,552</u>	<u>8,503,510</u>
Payable within one year	-	89,574,754	-	-
Payable after one year	<u>9,600,552</u>	<u>8,732,597</u>	<u>9,600,552</u>	<u>8,732,597</u>

The long-term loans are secured by fixed charges over the assets of the company, see note 23

19 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	18	-	89,574,754	-	-
Trade creditors		3,156,761	1,294,858	3,022,749	715,384
Amounts owed to group undertakings		-	-	101,877	204,737
Corporation tax payable		-	-	721,192	3,818,095
Other taxation and social security		6,336	396,679	4,280,094	396,679
Derivative financial instruments		-	99,912	-	-
Other creditors		1,084,028	121,635	375,214	39,723
Accruals and deferred income		1,307,671	5,146,262	240,651	2,285,435
		<u>5,554,796</u>	<u>96,634,100</u>	<u>8,741,777</u>	<u>7,460,053</u>

Notes to the financial statements (continued)

For the year ended 30 June 2020

20 Creditors: amounts falling due after more than one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Redeemable preference shares	18	8,503,510	8,503,510	8,503,510	8,503,510
Preference dividends payable		1,097,042	229,087	1,097,042	229,087
		<u>9,600,552</u>	<u>8,732,597</u>	<u>9,600,552</u>	<u>8,732,597</u>

21 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>22,432</u>	<u>14,943</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. At the period end there were outstanding pension contributions of £Nil (2019: £Nil)

22 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
13,892,932 Ordinary shares of £1 each	<u>13,892,932</u>	<u>13,892,932</u>

The company has one class of ordinary shares which carry no right to fixed income. Additionally, the company has in issue 8,503,510 redeemable preference shares of £1 each, classified as liabilities. These shares do not carry voting rights. Each preference share is entitled to annual fixed dividend which is accrued under creditors amounts falling due after more than one year.

23 Charges

Twentieth Century Fox, a division of Twentieth Century Fox Film Corporation, held fixed and floating charges at the balance sheet date over the right, title and interest in the motion picture commissioned by Marv Tailor Holdings Limited in respect of all amounts due or to become due from Marv Tailor Holdings Limited in connection with the production of the series. This charge was satisfied on 22 January 2021.

Notes to the financial statements (continued)
For the year ended 30 June 2020

24 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		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	270,000	320,253	270,000	320,253
Between two and five years	815,103	1,080,000	815,103	1,080,000
	<u>1,085,103</u>	<u>1,400,253</u>	<u>1,085,103</u>	<u>1,400,253</u>

25 Events after the reporting date

On 6 July and 9 July 2020, respectively, two new subsidiaries, FB Productions Limited and FB Holdings Limited, were incorporated. On 20 January 2021, the company granted a charge over the shares of these companies as security to MUFG Union Bank, NA.

On 22 September 2020 Marv Films Development was dissolved and ceased to be a subsidiary.

The company has continued to respond to the ongoing COVID-19 pandemic. The impact of this is set out in more detail in note 26.

26 Impact of COVID-19

Production on the projects in which the group was involved has not been significantly affected and the group has been able to secure sufficient financing for its needs. However, due to the impact of the pandemic on the cinema industry, there has been a delay to the exploitation of certain film rights, which has had an impact both before and after the balance sheet date. This impact is expected to be temporary and of a one-off nature, and in particular the directors are satisfied that the group remains a going concern.

27 Controlling party

The company's ultimate controlling parties are Matthew De Vere Drummond and Claudia De Vere Drummond.

Marv Studios Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

28 Related party transactions

As at the balance sheet date the company was owed £2,428,040 by a director (2019: the company owed £39,273 to a director). Interest of £43,122 (2019: £Nil) was paid to the company. The balance is repayable on demand and attracts interest at HMRC's official rate of interest, currently 2.25%.

Tax totaling £495 (2019: £Nil) was paid on behalf of a director.

29 Cash generated from/(absorbed by) group operations

	2020 £	2019 £
Profit for the year after tax	18,391,428	11,539,519
Adjustments for:		
Taxation credited	(11,698,361)	(13,245,869)
Finance costs	955,937	80
Investment income	(484,955)	(318,414)
Amortisation and impairment of intangible assets	1,119,730	12,070,162
Depreciation and impairment of tangible fixed assets	231,338	77,663
Impairment of investments	537,463	-
Movements in working capital:		
Decrease/(increase) in work in progress	88,103,667	(87,009,119)
Increase in debtors	(9,408,086)	(984,997)
(Decrease)/increase in creditors	(1,504,551)	2,131,397
Cash generated from/(absorbed by) operations	<u>86,243,610</u>	<u>(75,739,578)</u>

30 Analysis of changes in net funds/(debt) - group

	1 July 2019 £	Cash flows £	Non-cash movements £	30 June 2020 £
Cash at bank and in hand	47,838,574	2,276,806	-	50,115,380
Borrowings	(98,307,351)	89,574,754	(867,955)	(9,600,552)
	<u>(50,468,777)</u>	<u>91,851,560</u>	<u>(867,955)</u>	<u>40,514,828</u>