

Company Registration No. 07695226 (England and Wales)

SUMS FILM AND MEDIA LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR

SUMS FILM AND MEDIA LTD

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SUMS FILM AND MEDIA LTD**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

		2020		2019	
	Notes	£	£	£	£
Non-current assets					
Property, plant and equipment	3		3,951		9,105
Current assets					
Inventories - Film Production costs		343,286		303,636	
Trade and other receivables	4	174,990		184,256	
Cash and cash equivalents		6,420		4,855	
		<u>524,696</u>		<u>492,747</u>	
Current liabilities	5	<u>(562,727)</u>		<u>(507,434)</u>	
Net current liabilities			(38,031)		(14,687)
Total assets less current liabilities			<u>(34,080)</u>		<u>(5,582)</u>
Non-current liabilities	6		(15,623)		-
Net liabilities			<u>(49,703)</u>		<u>(5,582)</u>
Equity					
Called up share capital	7		100		100
Share premium account			69,950		69,950
Retained earnings			(119,753)		(75,632)
Total equity			<u>(49,703)</u>		<u>(5,582)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

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SUMS FILM AND MEDIA LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 17 September 2021 and are signed on its behalf by:

A Brunskill
Director

Company Registration No. 07695226

SUMS FILM AND MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Sums Film and Media Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 92 Somers Road, London, E17 6RS.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

1.2 Going concern

These financial statements are prepared on the going concern basis. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern. At the year end the company had net liabilities of £49,711.

In adopting the going concern basis for preparing the financial statements the directors have considered the business activities as well as the company's principal risks and uncertainties within the company's cash flow forecasts and projections. The company is reliant upon the continued support from related parties and director to provide on going cash flow to meet liabilities as they fall due.

The directors have also considered the impact of Covid-19 pandemic on the company's cash flow and their ability to meet their liabilities and believe with support from the government backed loans and related party support that the company will be able to continue for the foreseeable future.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the respect of producer fees and is shown net of VAT and other sales related taxes.

Revenue is recognised as pre-defined stages of production projects are completed.

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.

1.4 Property, plant and equipment

Property, plant and equipment 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:

Fixtures and fittings	33.33% Straight Line
Computers	33.33% Straight Line

SUMS FILM AND MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 credited or charged to profit or loss.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.6 Inventories - Film Development Cost

Film development costs are recorded as a current asset. The cost will be amortised to the income statement over the period in which the the development rights to the relevant film are exploited.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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.

1.7 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 borrowings in current liabilities.

1.8 Financial instruments

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SUMS FILM AND MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company 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 company.

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.

1.10 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SUMS FILM AND MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 when the company has 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.

1.11 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 non-current 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.

1.12 Retirement benefits

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

1.13 Government grants

Government grants 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.

During the year the company obtained a Bounce Back loan, whereby the government pays the interest for the first 12 months of the loan.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 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.

SUMS FILM AND MEDIA LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****2 Employees**

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

	2020 Number	2019 Number
Total	3	3

3 Property, plant and equipment

	Plant and machinery etc
	£
Cost	
At 1 January 2020	16,478
Additions	275
At 31 December 2020	16,753
Depreciation and impairment	
At 1 January 2020	7,373
Depreciation charged in the year	5,429
At 31 December 2020	12,802
Carrying amount	
At 31 December 2020	3,951
At 31 December 2019	9,105

4 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Trade receivables	5,720	2,299
Corporation tax recoverable	21,771	26,312
Other receivables	147,499	155,645
	174,990	184,256

SUMS FILM AND MEDIA LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****5 Current liabilities**

	2020	2019
	£	£
Bank loans	9,597	-
Trade payables	1,549	3,820
Corporation tax	688	1,042
Other taxation and social security	4,932	1,054
Other payables	545,961	501,518
	<u>562,727</u>	<u>507,434</u>

6 Non-current liabilities

	2020	2019
	£	£
Bank loans and overdrafts	15,623	-
	<u>15,623</u>	<u>-</u>

7 Called up share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary A of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

8 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Entities over which the entity has control, joint control or significant influence	11,813	11,813
	<u>11,813</u>	<u>11,813</u>

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due from related parties		
Entities over which the entity has control, joint control or significant influence	70,924	70,924
	<u>70,924</u>	<u>70,924</u>

SUMS FILM AND MEDIA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loan Account	2.50	73,090	23,362	1,635	(31,200)	66,887
		<u>73,090</u>	<u>23,362</u>	<u>1,635</u>	<u>(31,200)</u>	<u>66,887</u>
		<u><u>73,090</u></u>	<u><u>23,362</u></u>	<u><u>1,635</u></u>	<u><u>(31,200)</u></u>	<u><u>66,887</u></u>

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