

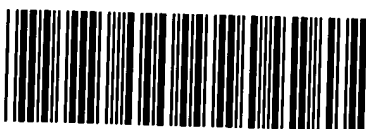
THE UK FILM & TELEVISION PRODUCTION
COMPANY PLC

ANNUAL REPORT

For the year ended 31 March 2023

Registered No: 04090944

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The UK Film & Television Production Company PLC

Directors and Advisers

Directors

Rupert Lywood
Joseph D'Morais
Colin Luke
Julia Palau

Registered Auditors

MGR Weston Kay LLP
55 Loudoun Road
St John's Wood
London
NW8 0DL

Secretary

Andrews Crosse

Registered Office

First Floor
5 Fleet Place
London
EC4M 7RD

Bankers

Barclays Bank PLC
PO Box 777
Wolverhampton
West Midlands
WV1 1XJ

Registrar

Wilson Wright LLP
Thavies Inn House
3-4 Holborn Circus
London
EC1N 2HA

Strategic Report from the Chairman

Overview

Resources continue to be deployed on further development of the "The Sim4Med Project" through the partnership formed in late 2018. The focus has been to build medical simulation laboratories (Extended Reality Laboratories (ERL's)) the first of which as previously reported forms part of a Patient Safety Centre in the Postgraduate Medical and Education Centre at County Hospital, Stafford.

Trading and results

A loss on ordinary activities of £35,573 was recorded (2022: £29,082 loss).

The Company had net assets of £301,253 (2022: £336,826) on 31 March 2023, which included cash of £13,231 (2022: £6,140). Total investment in, and loans (including interest) to, the Sim4Med partnership at the balance sheet date was £440,374 (2022: £370,919).

Outlook

In the absence of a CEO, the Board is active in its support role in the Sim4Med Project partnership.

Significant resources and marketing effort continue to be deployed by the partnership centered on the partnership's flagship ERL facility in Stafford. The project is branded Sim4Med.

Loans have been provided to Sim4Med with a value of £312,374 including accrued interest. The loan facility agreement in place with Sim4Med has been renewed and updated after year-end.

After the year end, a new loan facility extension was agreed between The UK Film and Television Production Company and Sim4Med. In the opinion of the directors there have been no other material post balance sheet events and disclosures relating to going concern are included in Note 1.

Principal risks and uncertainties

Early stage pioneering businesses such as the Sim4Med Project carry risks, a failure to meet revenue targets would inevitably have an adverse impact on the Company - sales timelines when dealing with public bodies are often uncertain and unpredictable.

The risk is increased in the current environment, given the continued disruption caused by the pandemic, which may continue to delay projects and/or the ability of our customers to install ERLs.

Section 172(1) Statement

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('SI 72') when performing their duty to promote the success of the Company under SI 72. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

Section 172(1) Statement (continued)

The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, explains how The UK Film & Television Production Company plc directors:

- have engaged with employees, suppliers, customers, and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

General confirmation of Directors' duties

The UK Film & Television Production Company plc Board has a clear framework for determining the matters within its remit. When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) "The likely consequences of any decision in the long term"

The Directors understand the business and the evolving environment in which we operate, including the challenges of navigating through medical education technologies market transition accelerated by Covid-19.

S172(1) (B) "The interests of the company's employees"

The Company has no employees.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with our suppliers, customers, and joint-venture partner. The UK Film & Television Production Company plc seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships. Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.

S172(1) (D) "The impact of the company's operations on the community and the environment"

The UK Film & Television Production Company plc operates on a "virtual basis" minimising the company's Carbon Footprint and impact on the community.

The UK Film & Television Production Company PLC

S172(J) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The board is aware of the need in the film and television development and production business to maintain a reputation for high standards of business conduct and ethics and aims to meet these high standards both through our own operations and those of our Joint Venture.

S172(J) (F) "The need to act fairly as between members of the company"

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

Culture

The Board recognises that it has an important role in assessing and monitoring that our desired culture is embedded in the values, attitudes, and behaviours we demonstrate, including in our activities and stakeholder relationships.

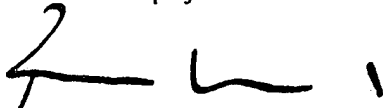
Stakeholder engagement

The Board recognises the role The UK Film & Television Production Company plc has to play in society and is committed to public collaboration and stakeholder engagement.

We continue to build on our long track record of working with others, such as investors and joint venture partner.

Principal decisions

The principal decisions made by the Board over the year was to continue to support our joint venture the Sim4Med project.



Rupert Lywood
Chairman

26 September 2023

Directors' Report for the year ended 31 March 2023

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

Principal activities and review of the business

The principal activities of the Company are to resource and support the development of medical simulation laboratories.

The income statement for the year is set out on page 13 and shows the loss after tax of £35,573.

A review of the business and future developments is detailed in the Strategic Report from the Chairman.

The company uses a variety of financial and non-financial KPIs to monitor business performance, which are reviewed in the Strategic Report from the Chairman.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend (2022: £nil per share).

Directors

The directors of the Company who held office during the year and to the date of this report are:

Rupert C G Lywood
Joseph D'Morais
Julia Palau
Colin Luke

Going concern

The Company has net current assets of £173,254 (2022 - £208,826) at the balance sheet date, with the decrease caused by an increase in Creditors. The focus of the Directors is on the Sim4Med Project.

The company is dependent on its principal creditors confirming that they will not require payment in the next 12 months.

The directors have received confirmation from the principal creditors that they will not require payment in the next 12 months unless the company has sufficient resources to do so.

Given the above, after making appropriate enquiries including review of forecasts, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Directors' Report for the year ended 31 March 2023 (Continued)

Statement of internal financial control

The Directors acknowledge their responsibilities for the Company's system of internal control. In fulfilling these responsibilities, the Board has reviewed the effectiveness of the system of internal control on the basis of the criteria set out in the 'Guidance for Directors' Internal Control and Financial Reporting'. It has considered the major business and financial risks.

As might be expected in a Company of this size, a key control procedure is the day-to-day supervision of the business by the directors. Other control procedures include the review of regular financial and management information.

On the basis that a system can provide only reasonable but not absolute assurance and that it relates only to the needs of the business at that time, the system of internal financial control was found to be appropriate to the business as at the time of approving the financial statements.

Post balance sheet events

In August 2023, the loan agreement with Sim4Med LLP was updated and extended, with new repayment terms and an increase to the loan facility. Originally, the loan agreement had three repayment dates of 1st January 2022, 1st January 2023 and 1st January 2024, and an interest rate of 10% to be accrued annually for any amount unpaid if a payment is missed. The new agreement changes these repayment dates, so that the full amount owed is due on 31st September 2024.

Other than the extension to the loan facility, in the opinion of the directors there have been no material post balance sheet events.

Financial risk management

The Company's operations expose it to a variety of financial risks as discussed below. The Directors seek to limit the adverse effect of such risks on financial performance. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies are set and implemented by the Directors.

Foreign currency risk:

The company has some exposure to foreign currency, due to holding funds in currencies other than the functional currency, although the majority of business is transacted in sterling.

Liquidity risk:

Operations for the Company are funded by its existing cash reserves and other liquid reserves. Where projects require additional funds we will seek discussion and approval from the shareholders.

As discussed above, the Directors are focused on the development and success of the Sim4Med project, and the continued development of the project may require further external funding from lenders, shareholders or directors. See Note 1 for further information.

Forward looking cash flow projections are prepared and reviewed by the directors on a regular basis to assess any funding requirements.

Directors' Report for the year ended 31 March 2023 (*continued*)

Directors' responsibilities

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 company and of the profit or loss of the company for that period.

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

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

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

Auditor

MGR Weston Kay LLP were re-appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the next annual general meeting.

Statement of disclosure to auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

This report was approved on behalf of the Board on 26 September 2023.



Rupert Lywood
Director

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE UK FILM & TELEVISION PRODUCTION COMPANY PLC

Opinion

We have audited the financial statements of The UK Film & Television Production Company PLC ("the Company") for the year ended 31 March 2023 which comprise the Income statement and statement of total comprehensive income, the Statement of financial position, the Statement of movements in equity, the Statement of cash flows, and the 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE UK FILM & TELEVISION PRODUCTION COMPANY PLC (continued)

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 the audit:

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE UK FILM & TELEVISION PRODUCTION COMPANY PLC (continued)

Responsibilities of Directors

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

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

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 individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- Do not have a direct effect on the financials but compliance which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed amongst the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where the fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas and set out specific procedures performed to address it as described below:

- *We have addressed this risk through specific testing, on a sample basis, of current year invoices and subsequent sales returns to ensure validity.*
- *Overstatement of investments' valuation to improve the company's position*
- *We addressed this risk through specific testing and verification, on a sample basis, of the current year valuation, additions and disposals of investments with third party external supporting information.*

The UK Film & Television Production Company PLC

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in making accounting estimates are indicative of potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified include the following:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- Reading minutes of meetings of those charged with governance.

No significant issues were identified during our testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Nicholas Muir BA (Econ) FCA (Senior Statutory Auditor)
for and on behalf of MGR Weston Kay LLP
Chartered Accountants
Statutory Auditor
55 Loudoun Road
St John's Wood
London
NW8 0DL

Date: 28/9/23

The UK Film & Television Production Company PLC

**Income statement and statement of total comprehensive income
for the year ended 31 March 2023**

| | Notes | Year to 31 March 2023 | Year to 31 March 2022 |
|---|-------|----------------------------------|----------------------------------|
| | | £ | £ |
| Turnover | 3 | - | - |
| Cost of sales | | - | - |
| Gross loss | | - | - |
| Net operating expenses | | (52,779) | (53,154) |
| Other income | | - | - |
| Foreign exchange (loss) / profit | | 54 | 35 |
| Operating loss | | (52,725) | (53,119) |
| Interest receivable | | 17,152 | 24,037 |
| Loss on ordinary activities before taxation | 2 | (35,573) | (29,082) |
| Taxation charge on loss on ordinary activities | 6 | - | - |
| Loss for the financial year after taxation and total comprehensive loss for the year | | (35,573) | (29,082) |
| Attributable to: | | | |
| Owners of the Company | | (35,573) | (29,082) |
| Loss per share | 12 | (0.9)p | (0.9)p |

The Company has no recognised gains or losses other than those shown above.

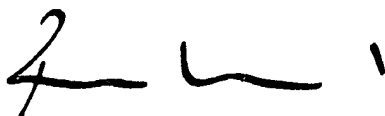
The notes on pages 17 to 24 form part of these financial statements.

The UK Film & Television Production Company PLC

Statement of Financial Position
as at 31 March 2023

| | | £ | £ |
|---|-----|------------------|------------------|
| Fixed assets | | | |
| Investment in joint venture | 7 | <u>128,000</u> | <u>128,000</u> |
| | | 128,000 | 128,000 |
| Current assets | | | |
| Debtors - due in less than one year | 8 | 327,674 | 168,975 |
| Debtors - due in more than one year | 7/8 | - | 161,946 |
| Cash at bank and in hand | | 13,231 | 6,140 |
| | | <u>340,905</u> | <u>337,061</u> |
| Creditors: amounts falling due within one year | 9 | <u>(167,651)</u> | <u>(128,235)</u> |
| Net current assets | | 173,254 | 208,826 |
| Net assets | | <u>301,253</u> | <u>336,826</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 1,560,710 | 1,560,710 |
| Share premium account | | 1,390,382 | 1,390,382 |
| Profit and loss account | | (2,649,839) | (2,614,266) |
| Shareholders' funds - equity | | <u>301,253</u> | <u>336,826</u> |

The financial statements were approved by the board of directors and authorised for issue on 26 September 2023 by:



Rupert Lywood
Director

Company Registration Number: 04090944

The notes on pages 17 to 24 form part of these financial statements.

The UK Film & Television Production Company PLC

**Statement of changes in equity
for the year ended 31 March 2023**

| | Share capital £ | Share premium £ | Profit and loss account £ | Total equity £ |
|--|--------------------------------|--------------------------------|--|-------------------------------|
| At 1 April 2021 | 1,560,710 | 1,390,382 | (2,585,183) | 365,909 |
| Loss and total comprehensive loss for the year | - | - | (29,082) | (29,082) |
| At 31 March 2022 | 1,560,710 | 1,390,382 | (2,614,266) | 366,826 |
| Loss and total comprehensive loss for the year | - | - | (35,573) | (35,573) |
| At 31 March 2023 | 1,560,710 | 1,390,382 | (2,649,839) | 301,253 |

The notes on pages 17 to 24 form part of these financial statements.

The UK Film & Television Production Company PLC

**Statement of cash flows
for the year ended 31 March 2023**

| | 2023 | As Restated: 2022 |
|---|---------------|-----------------------------|
| | £ | £ |
| <i>Cashflows used in operating activities</i> | | |
| Loss for the financial year | (35,573) | (29,082) |
| <i>Adjustments for:</i> | | |
| Foreign exchange | (54) | (35) |
| (Increase)/decrease in debtors | 3,248 | (37,011) |
| Increase in creditors | 39,416 | 44,419 |
| Net cash used in operating activities | 7,036 | (21,709) |
| <i>Cashflows used in investing activities</i> | | |
| Interest received | - | - |
| Investment in and loan to joint venture | - | - |
| Net cash used in investing activities | - | - |
| Net cash generated from financing activities | - | - |
| Net increase/(decrease) in cash and cash equivalents | 7,090 | (21,674) |
| Cash and cash equivalents at beginning of year | 6,140 | 27,815 |
| Foreign exchange gains | 54 | 35 |
| Cash and cash equivalents at end of year | 13,231 | 6,140 |

The notes on pages 17 to 24 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2023

1. Principal accounting policies

The UK Film and Television Production Company PLC is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the group's operations, and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. The Company is unlisted.

The following principal accounting policies have been applied:

Going concern

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed causing significant disruption to global economies. Although, countries have moved to living with COVID-19, there continues to be an impact on delays to development within the media and creative industries. At this time the ultimate impact on the Company cannot be ascertained.

The Company continues to be impacted by delays to the Sim4Med project mainly caused by industries adjusting to post-pandemic effects. The Secret Sharer project, which was supported by a guarantee was disposed of in 2021.

The Company has net current assets of £173,254 (2022 - £208,826) at the balance sheet date, with the decrease caused by an increase in Creditors. The focus of the Directors is on the Sim4Med Project.

The company is dependent on its principal creditors confirming that they will not require payment in the next 12 months.

The directors have received confirmation from the principal creditors that they will not require payment in the next 12 months unless the company has sufficient resources to do so.

Given the above, after making appropriate enquiries including review of forecasts, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Notes to the Financial Statements for the year ended 31 March 2023 (Continued)

Turnover

Turnover, which excludes Value Added Tax, represents net income receivable in respect of the profit share of the joint venture Sim4Med LLP. Turnover is recognised on an arising basis in line with the period covered by royalties or over the period the services relate to. No turnover has been recognised in the period, as the joint venture has not made a profit.

Joint ventures

An entity is treated as a joint venture where the Company holds a long-term interest and shares control under a contractual agreement. Investments held as fixed assets are stated at cost less any provision for impairment.

Net realisable value

An assessment is made at each balance sheet date, by the directors, to determine whether a provision is required to adjust the carrying value of work-in-progress or investment in films to net realisable value. Where film projects are not expected to proceed, or the expected royalties, guarantees and future income are lower than cost, the related costs are written off to the Income statement. Any charge for writing down to net realisable value during the period is included in the profit and loss account as part of cost of sales and disclosed as an exceptional cost.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented as a separate line within the income statement.

Financial instruments

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Notes to the Financial Statements for the year ended 31 March 2023 (Continued)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax and is recognised in profit or loss unless it relates to an item recognised in other comprehensive income or direct to equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Share premium represents the difference between funds received for shares issued and their nominal value
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements to determine whether there are indicators of impairment of the Company's joint venture. Factors taken into consideration when considering the investment in the joint venture include access to sufficient funds for production, the economic viability, expected future financial performance and review of discussions with potential customers and collaborators.

The judgement is supported (where appropriate) by the use of discounted cash flow, knowledge of secured or expected sources of income and financing relating to the projects, taking into consideration internal and external industry experts.

The UK Film & Television Production Company PLC

Notes to the Financial Statements for the year ended 31 March 2023 (Continued)

2. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

| | 2023 | 2022 |
|------------------------|--------------|--------------|
| | £ | £ |
| Auditors' remuneration | <u>8,500</u> | <u>8,500</u> |

3. Turnover

The company had no turnover in the year, or in the prior year.

4. Directors' emoluments

| | 2023 | 2022 |
|--------------------------------------|---------------|---------------|
| | £ | £ |
| Amounts paid for Directors' services | 41,294 | 41,294 |
| | <u>41,294</u> | <u>41,294</u> |

5. Employees

There were no staff costs in the current or prior year, excluding for directors' emoluments paid to third parties as included in Note 4. The only employees of the Company are the directors.

Notes to the Financial Statements for the year ended 31 March 2023 (Continued)

6. Taxation

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom. The differences are explained below:

The Company has losses carried forward of approximately £2.6m (2022 - £2.6m) to offset future taxable profits, subject to HMRC approval. The potential deferred tax asset has not been recognised due to uncertainty over the timing and extent of the relief.

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Loss on ordinary activities before taxation | (35,573) | (29,082) |
| Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022 - 19%) | (6,759) | (5,526) |
| Losses carried forward against future trading | 6,759 | 5,526 |
| Tax charge for the year | <u>-</u> | <u>-</u> |

7. Investment in joint venture

| | 2023 £ | 2022 £ |
|--------------------------------------|----------------|----------------|
| As at 1 April 2022 and 31 March 2023 | <u>128,000</u> | <u>128,000</u> |

The only undertaking, in which the company's interest at the year-end is 20% or more, was Sim4Med LLP (the "LLP"), incorporated on 26 July 2018. The company is a joint member in the LLP and its investment constitutes a joint venture under FRS 102.

The principal activity of the LLP is that of the provision of light and visual projection and display goods and services for medical training, education, entertainment, and other purposes. The LLP was formed to exploit a project in development by the Company.

Notes to the Financial Statements for the year ended 31 March 2023 (Continued)

The Company has committed to capital contributions totalling £128,000 which is fully drawn at the balance sheet date. During the year the LLP has made a total of £Nil (2022: Nil) in capital repayments.

The Company has committed to providing a loan facility of up to £150,000 of which £150,000 (2022: £150,000) was drawn at the balance sheet date. An additional £112,331 (2022: £52,976) has been loaned to the LLP by the end of the year. Interest of £50,043 had accrued (2022: £33,846) at the balance sheet date. While at the balance sheet date the company exceeded its loaning facility, since the year end an agreement has been made to increase the lending facility and the terms on which it operates.

The full loan amount due at the balance sheet date was £312,374 (2022: £242,919).

8. Debtors

| | 2023 | 2022 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts falling due within 1 year: | | |
| Unpaid share capital | 2 | 2 |
| Other debtors | 327,672 | 168,973 |
| | <u>327,674</u> | <u>168,975</u> |

There are no Debtors due in more than one year (2022: £161,946).

9. Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 7,230 | 12,030 |
| Other Creditors | 10,709 | - |
| Accruals and deferred income | 149,712 | 116,205 |
| | <u>167,651</u> | <u>128,235</u> |

10. Financial instruments

Financial assets measured at amortised cost comprise cash, film investments, work in progress, trade debtors, unpaid share capital, accrued income and VAT. There are no financial assets measured at fair value through the profit or loss and the difference between the carrying value and market value of these assets is immaterial. Financial liabilities measured at amortised cost comprise trade creditors and accruals and deferred income.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

Notes to the Financial Statements for the year ended 31 March 2023 (Continued)

11. Called up share capital

| | 2023 £ | 2022 £ |
|---------------------------------------|------------------|------------------|
| Allotted and called up share capital | | |
| 3,121,420 ordinary shares of 50p each | <u>1,560,710</u> | <u>1,560,710</u> |

12. Earnings per ordinary share

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial period. The weighted average number of shares in issue is 3,121,420 (2022: 3,121,420) and the loss on ordinary activities after taxation is £35,573 (2022: £29,082 loss). There is no difference between the basic or diluted earnings per share.

13. Related party transactions

Mr R Lywood is a director of Animatrix Limited, a company from which directors' fees of £12,000 (2022: £12,000) were charged during the year.

Mr J D'Morais is a director of Blue Dolphin Film & Video, a company from which directors' fees of £12,000 (2022: £12,000) were charged during the year.

Mrs J Palau is a director of Tusk Productions Limited, a company from which directors' fees of £12,000 (2022: £12,000) were charged during the year.

Mr Colin Luke received directors' fees of £5,294 (2022: £5,294) during the year.

Directors' fees totalling £136,499 (2022: £95,205) were included in accruals at the balance sheet date and have been included in the above amounts.

Mr R Lywood is a director of Matrix Films (No. 65) Ltd, a company that a balance of £10,709 (2022: £nil) is owed to at the year end. This balance is held within Other Creditors.

A certain director had provided a guarantee to the Company totalling €200,000 (£168,734), which would be called should the Company not recoup all funds from the Secret Sharer film project. This guarantee has always been considered within the definition of Net Realisable Value. During the 2021 year the Company drew down £40,000 of the guarantee and disposed of its film rights in the Secret Sharer project. At the date of the disposal, £128,000 of the guarantee remained unrecouped. Accordingly, the company called upon the director's guarantee of £128,000. At the balance sheet date the amount of the guarantee was £15,298 (2022: £88,000), included within Other Debtors (Note 8).

14. Ultimate controlling party

In the opinion of the directors, there is no ultimate controlling party.

15. Prior year Adjustment

The comparative figures in the cashflow statement have been reclassified. There is no change in cash and cash equivalents as a result of these reclassifications.

Notes to the Financial Statements for the year ended 31 March 2023 (Continued)

16. Subsequent Events

The following event occurred subsequent to March 31st, 2023:

A new loan facility extension was agreed between Sim4Med LLP and The UK Film & Television Production Company PLC. This loan agreement will decrease the accrued interest income figure in the UK Film & Television Production Company PLC accounts in the next year's financial statements, as the repayment date has been modified so that no amount is now overdue.