COMPANY REGISTRATION NUMBER: 08495607

M2 Entertainment Limited

Filleted Financial Statements

31 December 2020

M2 Entertainment Limited

Statement of Financial Position

31 December 2020

	Note	2020	2019
		£	£
Fixed assets			
Investments	**5**	713	713
Current assets			
Work in progress		–	773
Debtors	**6**	3,336,627	3,633,714
Cash at bank and in hand		48,527	119,846
		3,385,154	3,754,333
Creditors: amounts falling due within one year	**7**	2,352,277	2,554,624
Net current assets		1,032,877	1,199,709
Total assets less current liabilities		1,033,590	1,200,422
Net assets		1,033,590	1,200,422
Capital and reserves			
Called up share capital		100	100
Profit and loss account		1,033,490	1,200,322
Shareholders funds		1,033,590	1,200,422

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 29 September 2021 , and are signed on behalf of the board by:

M J M Nielsen

Director

Company registration number: 08495607

M2 Entertainment Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 10 Orange Street, Haymarket, London, WC2H 7DQ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The director has undertaken a rigorous assessment of the going concern status of the company, for the purpose of preparing the financial statements, and has concluded that the company remains a going concern on the strength that both financial and operational support from within the group continues to be made available for a period of not less than twelve months from the date of approval of the financial statements. The director is not aware of any material uncertainty arising from the assessment that would cast significant doubt on the company's ability to continue as a going concern and therefore the financial statements are to be prepared on the going concern basis. In reaching the above conclusion the director has also considered the impact to the business, and to the group on which the company relies for operational and financial support, of the Covid-19 pandemic. In the directors opinion, the pandemic has had a negative impact on the financial results of the business and of the group as a a whole, due mainly to the suspension of live action projects and the reduction in customer marketing activities during 2020. Early actions taken by the group, in order to adapt to the changing business environment, are expected to provide for a positive group result in the coming year and as such the ability of the group to continue to support the company is not considered in doubt.

Consolidation

The company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking of M2 Group A/S, a company incorporated in Denmark, and is included in the consolidated financial statements of that company.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for work done in the year in respect of long-term contracts and contracts for on-going services, including estimates of amounts not invoiced. The value of work done in respect of long-term contracts and contracts for on-going services is determined by reference to the stage of completion. All amounts recognised as turnover are stated net of discounts and of Value Added Tax.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Stock and work in progress

Work in progress shown in the accounts represents the value of television and film rights acquired for the purpose of future resale. Work in progress is valued at the lower of cost and net realisable value.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Employee numbers

The average number of persons employed by the company during the year amounted to Nil (2019: 2).

5. Investments

	Shares in group undertakings £
Cost	
At 1 January 2020 and 31 December 2020	713
Impairment	
At 1 January 2020 and 31 December 2020	–
Carrying amount	
At 31 December 2020	713
At 31 December 2019	713

6. Debtors

	2020	2019
	£	£
Trade debtors	–	73,113
Amounts owed by group undertakings and undertakings in which the company has a participating interest	3,336,527	3,524,559
Other debtors	100	36,042
	3,336,627	3,633,714

7. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	879	6,165
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,333,898	2,474,155
Social security and other taxes	–	21,686
Other creditors	17,500	52,618
	2,352,277	2,554,624

8. Summary audit opinion

The auditor's report for the year dated 29 September 2021 was unqualified, however, the auditor drew attention to the following by way of emphasis.

We draw attention to Note 3 to the financial statements which explains the directors assessment of going concern and the reliance placed on the continuing availability of financial support from the parent company to enable the company to meet its future cash flow needs. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Simon Robinson , for and on behalf of Shipleys LLP .

9. Related party transactions

The company is a majority (90%) owned subsidiary of M2 Group A/S and the results of the company and its subsidiaries are consolidated within the group financial statements of M2 Group A/S. The registered office of M2 Group A/S is Filmbyen 23, 4., 8000 Aarhus C, Denmark. The company has taken advantage of exemptions available in FRS102 whereby disclosures of transactions and balances with wholly owned subsidiaries are not required to be disclosed. Disclosure is also not required where transactions and balances are conducted at normal market rates.

10. Controlling party

The immediate and ultimate parent company is M2 Group A/S , a company registered in Denmark. The ultimate controlling party is M Nielsen by virtue of his shareholding in M2 Group A/S.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.