

Cut & Run Limited

Annual Report and Unaudited Financial Statements

For the year ended 31 December 2016

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Cut & Run Limited

Company Information

Director	S J Gandolfi
Company number	03313344
Registered office	Charlotte Building 17 Gresse Street London W1T 1QL
Accountants	Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
Bankers	Barclays Bank PLC 7th Floor United Kingdom House 180 Oxford London W1D 1EA

Cut & Run Limited

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Cut & Run Limited

Balance Sheet

As at 31 December 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3	115,453		92,681	
Investments	4	1		1	
		<u>115,454</u>		<u>92,682</u>	
Current assets					
Debtors	6	911,776		493,501	
Cash at bank and in hand		152,980		187,316	
		<u>1,064,756</u>		<u>680,817</u>	
Creditors: amounts falling due within one year	7	(1,109,642)		(263,358)	
Net current (liabilities)/assets		<u>(44,886)</u>		<u>417,459</u>	
Total assets less current liabilities		70,568		510,141	
Creditors: amounts falling due after more than one year	8	-		(450,000)	
Provisions for liabilities	9	(14,433)		(4,107)	
Net assets		<u>56,135</u>		<u>56,034</u>	
Capital and reserves					
Called up share capital	10	2		2	
Profit and loss reserves		56,133		56,032	
Total equity		<u>56,135</u>		<u>56,034</u>	

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

Cut & Run Limited

Balance Sheet (Continued)

As at 31 December 2016

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

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

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

The financial statements were approved and signed by the director and authorised for issue on 26 September 2017

S J Gandolfi

Director

Company Registration No. 03313344

Cut & Run Limited

Notes to the Financial Statements

For the year ended 31 December 2016

1 Accounting policies

Company information

Cut & Run Limited is a private company limited by shares incorporated in England and Wales. The registered office is Charlotte Building, 17 Gresse Street, London, W1T 1QL.

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 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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Cut & Run Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 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:

Leasehold land and buildings	5 years straight line basis
Fixtures, fittings & equipment	3 years straight line basis

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.

Cut & Run Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

1 Accounting policies

(Continued)

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.5 Impairment of fixed assets

At each reporting end date, the company 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.

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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 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.

Cut & Run Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

1 Accounting policies

(Continued)

Basic financial assets

The Company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 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 profit and loss account 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.

Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.10 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.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.12 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 are included in the profit and loss account for the period.

Cut & Run Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

2 Employees

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

	2016 Number	2015 Number
Total	26	27

3 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2016	552,848	616,574	1,169,422
Additions	11,234	52,608	63,842
At 31 December 2016	564,082	669,182	1,233,264
Depreciation and impairment			
At 1 January 2016	516,448	560,293	1,076,741
Depreciation charged in the year	8,010	33,060	41,070
At 31 December 2016	524,458	593,353	1,117,811
Carrying amount			
At 31 December 2016	39,624	75,829	115,453
At 31 December 2015	36,400	56,281	92,681

4 Fixed asset investments

	2016 £	2015 £
Investments	1	1

Cut & Run Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

4 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2016 & 31 December 2016	20,000
Impairment	
At 1 January 2016 & 31 December 2016	19,999
Carrying amount	
At 31 December 2016	1
At 31 December 2015	1

5 Associates

These financial statements are separate company financial statements for Cut & Run Limited.

Details of the company's associates at 31 December 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held DirectIndirect
Jogger Studios LLP (Formerly Four Walls Post Production LLP)	UK Post production of television commercials	Equity	50.00

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	638,892	302,381
Corporation tax recoverable	-	3,276
Amounts due from group undertakings	123,523	25,114
Other debtors	149,361	162,730
	<u>911,776</u>	<u>493,501</u>

Cut & Run Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	121,439	23,450
Amounts due to group undertakings	718,236	53,927
Other taxation and social security	91,979	55,538
Other creditors	177,988	130,443
	<u>1,109,642</u>	<u>263,358</u>

8 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	-	450,000
	<u>-</u>	<u>450,000</u>

9 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	14,433	4,107
	<u>14,433</u>	<u>4,107</u>

10 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

Cut & Run Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2016

11 Operating lease commitments

Lessee

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

	2016 £	2015 £
Within one year	242,000	135,331
Between two and five years	605,000	455,000
	<u>847,000</u>	<u>590,331</u>

12 Related party transactions

No guarantees have been given or received.

During the year, Cut & Run Limited made net sales of £203,712 (2015: £91,355) to Jogger Studios LLP. At the year end, £111,153 (2015: £24,745) was owed by Jogger Studios LLP in respect of sales made and other business transactions. Cut & Run Limited made net purchases of £105,939 (2015: £60,485) from Jogger Studios LLP. At the year end, £14,770 (2015: £12,179) was owed to Jogger Studios LLP in respect of purchases. Cut & Run Limited is a corporate member of Jogger Studios LLP.

At the balance sheet date an amount of £121,465 was owed to (2015: £21,748) Jogger Studios LLP in respect of its members' interests.

At the balance sheet date an amount of £550,000 (2015: £450,000) was owed to the parent company, C&R Post Production Limited. This amount has arisen through business transactions done at arms length.

The company has taken the exemption under Section 33 Related Party Disclosures paragraph 33.1A from disclosing transactions with other members of a wholly owned group.

13 Controlling party

The ultimate controlling party is S Gandolfi by virtue of his shareholding.

