

Knucklehead Limited

Unaudited Financial Statements

For the year ended 31 December 2023

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Company Registration No. 05297672 (England and Wales)

Knucklehead Limited

Company Information

Directors	M Brown T Katz
Secretary	T Katz
Company number	05297672
Registered office	Charlotte Building 17 Gresse Street London United Kingdom W1T 1QL
Accountants	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL

Knucklehead Limited

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Knucklehead Limited

Balance Sheet

As at 31 December 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	3		7,894		10,812
Current assets					
Debtors	4	2,037,952		2,193,753	
Cash at bank and in hand		101,921		394,812	
		<u>2,139,873</u>		<u>2,588,565</u>	
Creditors: amounts falling due within one year	5	<u>(207,883)</u>		<u>(493,689)</u>	
Net current assets			<u>1,931,990</u>		<u>2,094,876</u>
Total assets less current liabilities			<u>1,939,884</u>		<u>2,105,688</u>
Provisions for liabilities	6		<u>(1,417)</u>		<u>(2,025)</u>
Net assets			<u><u>1,938,467</u></u>		<u><u>2,103,663</u></u>
Capital and reserves					
Called up share capital	7		80		80
Capital redemption reserve			60		60
Profit and loss reserves			<u>1,938,327</u>		<u>2,103,523</u>
Total equity			<u><u>1,938,467</u></u>		<u><u>2,103,663</u></u>

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

For the financial year ended 31 December 2023 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.

Knucklehead Limited

Balance Sheet (Continued)

As at 31 December 2023

The financial statements were approved by the board of directors and authorised for issue on 3 September 2024 and are signed on its behalf by:

T Katz
Director

Company Registration No. 05297672

Knucklehead Limited

Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 January 2022	80	60	2,457,623	2,457,763
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	45,900	45,900
Dividends	-	-	(400,000)	(400,000)
Balance at 31 December 2022	80	60	2,103,523	2,103,663
Year ended 31 December 2023:				
Loss and total comprehensive income for the year	-	-	(165,196)	(165,196)
Balance at 31 December 2023	80	60	1,938,327	1,938,467

Knucklehead Limited

Notes to the Financial Statements

For the year ended 31 December 2023

1 Accounting policies

Company information

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

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of 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 £.

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

1.2 Going concern

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

1.3 Turnover

Turnover represents amounts receivable for provision of services for the principal activity of production of commercials for TV and cinema.

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.

1.4 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:

Fixtures, fittings & equipment	25% straight line
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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 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.

Knucklehead Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies (Continued)

1.6 Financial instruments

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.

1.7 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.

1.8 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 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 profit and loss account, 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.

1.9 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.

Knucklehead Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

1 Accounting policies (Continued)

1.10 Retirement benefits

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

1.11 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 leases 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 13 (2022 - 16).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2023	59,299
Additions	1,316
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At 31 December 2023	60,615
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Depreciation and impairment	
At 1 January 2023	48,487
Depreciation charged in the year	4,234
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At 31 December 2023	52,721
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Carrying amount	
At 31 December 2023	7,894
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At 31 December 2022	10,812
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Knucklehead Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

4 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	438,789	266,130
Other debtors	1,507,072	1,708,193
Prepayments and accrued income	92,091	219,430
	<u>2,037,952</u>	<u>2,193,753</u>

5 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	40,647	143,696
Corporation tax	-	9,631
Other taxation and social security	42,259	72,106
Other creditors	23,269	14,873
Accruals and deferred income	101,708	253,383
	<u>207,883</u>	<u>493,689</u>

6 Provisions for liabilities

	2023	2022
	£	£
Deferred tax liabilities	1,417	2,025
	<u>1,417</u>	<u>2,025</u>

7 Called up share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary A shares of £1 each	60	60	60	60
Ordinary D shares of £1 each	10	10	10	10
Ordinary E shares of £1 each	10	10	10	10
	<u>80</u>	<u>80</u>	<u>80</u>	<u>80</u>

Knucklehead Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2023

8 Operating lease commitments

Lessee

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

	2023	2022
	£	£
Within one year	121,650	122,200
Between two and five years	310,000	431,650
	<u>431,650</u>	<u>553,850</u>

9 Related party transactions

During the year dividends of £nil (2022: £400,000) were paid to the directors of the company.

At the year end, there was £737 (2022: £1,142) owed by the directors to the company, and £15,450 (2022: £nil) owed to the directors of the company.

During the year the company recharged income of £227,279 and expenses of £227,279 (2022: £608,377 and £608,377 respectively) to Knucklehead Inc, a company under common control. During the year there was a management charge of £407,279 (2022: £nil) to Knucklehead Inc. At the year end the same company owed Knucklehead Limited £528,908 (2022: £668,484), this amount is included in other debtors.

During the year the company incurred rental charges of £119,167 (2022: 50,000) from Knucklehead Properties Limited, a company under common control. During the prior year the company made a loan of £1,011,374 to Knucklehead Properties Limited. At the year end a net balance of £951,974 (2022: £1,011,374) was owed to the company in relation to the trade and loan balances. At the year end a balance of £18,000 (2022: £27,667) was included in prepayments relating to prepaid rent to Knucklehead Properties Limited.

10 Controlling party

There is no ultimate controlling party.

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.