

COMPANY REGISTRATION NUMBER: 09325512

**The Production Guild of Great Britain
Company Limited by Guarantee
Financial statements
31 March 2020**

The Production Guild of Great Britain

Company Limited by Guarantee

Financial statements

year ended 31 March 2020

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The Production Guild of Great Britain

Company Limited by Guarantee

Officers and professional advisers

The board of directors

J E Burn
N Moore
K Gladston

Registered office

4th Floor
4 City Road
London
EC1Y 2AA

Auditor

West Wake Price LLP
Chartered Accountants & Statutory Auditor
4 City Road
London
EC1Y 2AA

Bankers

HSBC
28 High Street
Uxbridge
UB8 1JN

The Production Guild of Great Britain

Company Limited by Guarantee

Directors' report

year ended 31 March 2020

The directors present their report and the financial statements of the company for the year ended 31 March 2020.

Principal activities

The principal activity of the company during the year was to promote, maintain and protect the highest standards of production, management, accounting, costing and financial administration in film, television and media production.

Directors

The directors who served the company during the year were as follows:

J E Burn	(Appointed 7 November 2019)
N Moore	(Appointed 7 November 2019)
K Gladston	(Appointed 5 March 2020)
G H R Barker	(Resigned 7 November 2019)
J E S Clark-Hall	(Resigned 7 November 2019)
K J Trehy	(Resigned 7 November 2019)

Events after the end of the reporting period

Covid-19 is likely to have a significant impact on our performance for the next financial year. It is likely that the company will make a loss in the year to 31 March 2021 due to expected member fall out reducing fees this year.

Due to the fact that we are expecting significantly reduced income streams our staff and overhead costs are highly likely to exceed any income generated which will result in losses of an undetermined quantum. Whilst we expect a significant loss for the year to 31 March 2021 our reserves are currently sufficient to see us through the next 12 months.

As the situation remains fluid, the Directors continue to monitor the situation on a regular basis.

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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 the profit or loss of the company for that period.

The Production Guild of Great Britain

Company Limited by Guarantee

Directors' report *(continued)*

year ended 31 March 2020

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 30 July 2020 and signed on behalf of the board by:

N Moore
Director

The Production Guild of Great Britain

Company Limited by Guarantee

Independent auditor's report to the members of The Production Guild of Great Britain year ended 31 March 2020

Opinion

We have audited the financial statements of The Production Guild of Great Britain (the 'company') for the year ended 31 March 2020 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 FRS 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 the provisions available for small entities, in the circumstances set out below, 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.

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Production Guild of Great Britain

Company Limited by Guarantee

Independent auditor's report to the members of The Production Guild of Great Britain *(continued)*

year ended 31 March 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

The Production Guild of Great Britain

Company Limited by Guarantee

Independent auditor's report to the members of The Production Guild of Great Britain *(continued)*

year ended 31 March 2020

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 if, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

The Production Guild of Great Britain

Company Limited by Guarantee

Independent auditor's report to the members of The Production Guild of Great Britain *(continued)*

year ended 31 March 2020

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Mr Michael Peters (Senior Statutory Auditor)

For and on behalf of
West Wake Price LLP
Chartered Accountants & Statutory Auditor
4 City Road
London
EC1Y 2AA

30 July 2020

The Production Guild of Great Britain

Company Limited by Guarantee

Statement of income and retained earnings

year ended 31 March 2020

	Note	2020 £	2019 £
Turnover		295,208	285,668
Gross profit		295,208	285,668
Administrative expenses		<u>272,149</u>	<u>239,276</u>
Operating profit		23,059	46,392
Profit before taxation		23,059	46,392
Tax on profit		—	—
Profit for the financial year and total comprehensive income		<u>23,059</u>	<u>46,392</u>
Retained earnings at the start of the year		194,554	148,162
Retained earnings at the end of the year		<u>217,613</u>	<u>194,554</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

The Production Guild of Great Britain

Company Limited by Guarantee

Statement of financial position

31 March 2020

	Note	2020 £	£	2019 £
Fixed assets				
Investments	9		5	5
Current assets				
Debtors	10	48,998		24,811
Cash at bank and in hand		<u>178,105</u>		<u>188,005</u>
		<u>227,103</u>		212,816
Creditors: amounts falling due within one year	11	<u>9,495</u>		<u>18,267</u>
Net current assets			<u>217,608</u>	<u>194,549</u>
Total assets less current liabilities			<u>217,613</u>	<u>194,554</u>
Net assets			<u>217,613</u>	<u>194,554</u>
Capital and reserves				
Profit and loss account			<u>217,613</u>	<u>194,554</u>
Members funds			<u>217,613</u>	<u>194,554</u>

These financial statements have been prepared 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'.

These financial statements were approved by the board of directors and authorised for issue on 30 July 2020, and are signed on behalf of the board by:

N Moore
Director

Company registration number: 09325512

The notes on pages 10 to 15 form part of these financial statements.

The Production Guild of Great Britain

Company Limited by Guarantee

Notes to the financial statements

year ended 31 March 2020

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is 4th Floor, 4 City Road, London, EC1Y 2AA.

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

In the course of preparing the financial statements for the year ended 31 March 2020, the directors have assessed whether the company is a going concern. As explained in the Directors' report, the Covid-19 pandemic is likely to have a significant impact on the company's activities and profitability in the next financial year to 31 March 2021. The directors have considered all available information about the future and are confident that the company's reserves will enable it to continue as a going concern during the course of the next twelve months.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

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 services rendered and stated net of discounts.

The Production Guild of Great Britain

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 March 2020

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office Equipment - 25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

The Production Guild of Great Britain

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 March 2020

3. Accounting policies *(continued)*

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.

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Company limited by guarantee

The company is a company limited by guarantee and not having a share capital. In the event of winding up, the liability of each member is limited to £1.

5. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>1,550</u>	<u>1,550</u>

The Production Guild of Great Britain

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Notes to the financial statements *(continued)*

year ended 31 March 2020

6. Employee numbers

The average number of persons employed by the company during the year amounted to 9 (2019: 10).

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	<u>3,623</u>	<u>–</u>

8. Tangible assets

	Equipment £	Total £
Cost		
At 1 April 2019	1,302	1,302
Disposals	<u>(1,302)</u>	<u>(1,302)</u>
At 31 March 2020	<u>–</u>	<u>–</u>
Depreciation		
At 1 April 2019	1,302	1,302
Disposals	<u>(1,302)</u>	<u>(1,302)</u>
At 31 March 2020	<u>–</u>	<u>–</u>
Carrying amount		
At 31 March 2020	<u>–</u>	<u>–</u>
At 31 March 2019	<u>–</u>	<u>–</u>

9. Investments

	Shares in group undertakings £
Cost	
At 1 April 2019 and 31 March 2020	<u>5</u>
Impairment	
At 1 April 2019 and 31 March 2020	<u>–</u>

The Production Guild of Great Britain

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 March 2020

9. Investments *(continued)*

	Shares in group undertakings £
Carrying amount	
At 31 March 2020	<u>5</u>
At 31 March 2019	<u>5</u>

The company owns 100% of the issued share capital of The Production Guild Limited, incorporated in United Kingdom.

	2020 £	2019 £
Aggregate capital and reserves	165,914	127,489
Profit/(loss) for the year	38,425	(6,088)

10. Debtors

	2020 £	2019 £
Trade debtors	195	668
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>48,803</u>	<u>24,143</u>
	<u>48,998</u>	<u>24,811</u>

11. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	–	31
Other creditors	<u>9,495</u>	<u>18,236</u>
	<u>9,495</u>	<u>18,267</u>

The Production Guild of Great Britain

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 March 2020

12. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2020	2019
	£	£
Financial assets measured at fair value through profit or loss		
Trade debtors	195	668
Cash at bank	<u>178,106</u>	<u>188,005</u>
	<u>178,301</u>	<u>188,673</u>
Financial liabilities measured at fair value through profit or loss		
Trade creditors	–	31
Accruals and deferred income	<u>9,495</u>	<u>13,482</u>
	<u>9,495</u>	<u>13,513</u>

13. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 1A.

The Production Guild of Great Britain

Company Limited by Guarantee

Management information

year ended 31 March 2020

The following pages do not form part of the financial statements.

The Production Guild of Great Britain

Detailed income statement

year ended 31 March 2020

	2020 £	2019 £
Turnover		
Membership subscriptions	287,955	281,111
Application fees	7,253	4,557
	<u>295,208</u>	<u>285,668</u>
Gross profit	<u>295,208</u>	<u>285,668</u>
Overheads		
Administrative expenses	272,149	239,276
	<u>23,059</u>	<u>46,392</u>
Operating profit	<u>23,059</u>	<u>46,392</u>
Profit before taxation	<u><u>23,059</u></u>	<u><u>46,392</u></u>

The Production Guild of Great Britain

Notes to the detailed income statement

year ended 31 March 2020

	2020	2019
	£	£
Administrative expenses		
Directors salaries	3,623	–
Chief executive officer's salary	63,796	60,690
Staff salaries	120,648	112,032
Employers national insurance contributions	20,883	14,013
Employers pension contributions - defined contribution	16,391	10,660
IT costs	318	241
Travel and subsistence	964	958
Telephone	543	498
General office expenses	77	7
Industry trade subscriptions	483	520
Staff training	270	80
Staff welfare	152	125
Commissions on Go Cardless & Stripe	2,144	2,121
General expenses (allowable)	89	237
Members events	37	13
Entertaining	9	146
Management charges payable to Production Guild Ltd	34,066	37,927
Payroll services	1,126	713
Auditors remuneration	2,520	2,502
Bad debts written off/(write back)	3,818	2,000
Bank charges	102	256
Admin expenses charged to Production Guild Ltd	–	(6,463)
	<u>272,059</u>	<u>239,276</u>