

Company Registration No. 03726168 (England and Wales)

Waveland Pictures Limited
Annual report and financial statements
for the year ended 31 March 2023

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Waveland Pictures Limited

Company information

Directors	Darren Hopgood Jacqueline Marshall
Secretary	Darren Hopgood
Company number	03726168
Registered office	12th Floor Brunel Building 2 Canalside Walk London W2 1DG
Independent auditor	Saffery LLP 71 Queen Victoria Street London EC4V 4BE

Waveland Pictures Limited

Contents

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 16

Waveland Pictures Limited

Directors' report For the year ended 31 March 2023

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

Principal activities

The principal activity of the company continued to be that of motion picture production.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend (2022: no dividend).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Darren Hopgood
Jacqueline Marshall

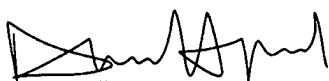
Auditor

The auditor, Saffery LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Darren Hopgood
Director

Date: 18 December 2023

Waveland Pictures Limited

Directors' responsibilities statement

For the year ended 31 March 2023

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.

Waveland Pictures Limited

Independent auditor's report To the members of Waveland Pictures Limited

Opinion

We have audited the financial statements of Waveland Pictures Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 101 'Reduced Disclosure Framework'

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 including FRS 101; 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 directors with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Waveland Pictures Limited

Independent auditor's report (continued) To the members of Waveland Pictures Limited

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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

Waveland Pictures Limited

Independent auditor's report (continued) To the members of Waveland Pictures Limited

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation, specifically legislation relating to creative industry tax credits.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance. We have reviewed management's assessment of how the company, and production, comply with the relevant laws and regulations governing access to the creative industry tax credits.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Waveland Pictures Limited

Independent auditor's report (continued)
To the members of Waveland Pictures Limited

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.

John Graydon (Senior Statutory Auditor)
For and on behalf of Saffery LLP

Date: 19 December 2023

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Waveland Pictures Limited**Statement of comprehensive income
For the year ended 31 March 2023**

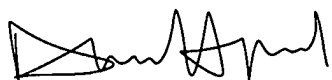
	Notes	2023 £	2022 £
Revenue	3	678,550	1,232,095
Cost of sales		(702,908)	(1,293,770)
Gross loss		(24,358)	(61,675)
Administrative expenses		(15,064)	(14,075)
Loss before taxation	4	(39,422)	(75,750)
Tax on loss	6	37,893	79,001
(Loss)/profit and total comprehensive income for the financial year		(1,529)	3,251

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Waveland Pictures Limited**Statement of financial position
As at 31 March 2023**

	Notes	2023 £	2022 £
Current assets			
Trade and other receivables	7	987,672	1,868,764
Current tax recoverable		43,570	79,409
Cash and cash equivalents		4,690	35,377
		<u>1,035,932</u>	<u>1,983,550</u>
Current liabilities			
Trade and other payables	8	22,476	968,565
		<u>1,013,456</u>	<u>1,014,985</u>
Net current assets			
		<u>1,013,456</u>	<u>1,014,985</u>
Net assets		<u>1,013,456</u>	<u>1,014,985</u>
Equity			
Called up share capital	9	2	2
Retained earnings		1,013,454	1,014,983
Total equity		<u>1,013,456</u>	<u>1,014,985</u>

The financial statements were approved by the board of directors and authorised for issue on 18 December 2023 and are signed on its behalf by:



Darren Hopgood
Director

Company Registration No. 03726168

Waveland Pictures Limited**Statement of changes in equity
For the year ended 31 March 2023**

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2021	2	1,011,732	1,011,734
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	3,251	3,251
Balance at 31 March 2022	2	1,014,983	1,014,985
Year ended 31 March 2023:			
Loss and total comprehensive income for the year	-	(1,529)	(1,529)
Balance at 31 March 2023	2	1,013,454	1,013,456

Waveland Pictures Limited

Notes to the financial statements For the year ended 31 March 2023

1 Accounting policies

Company information

Waveland Pictures Limited is a private company limited by shares incorporated in England and Wales. The registered office is 12th Floor, Brunel Building, 2 Canalside Walk, London, W2 1DG.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;
- comparative narrative information;
- for financial instruments, investment property and biological assets measured at fair value and within the scope of IFRS 13, the valuation techniques and inputs used to measure fair value, the effect of fair value measurements with significant unobservable inputs on the result for the period and the impact of credit risk on the fair value; and
- related party disclosures for transactions with the parent or wholly owned members of the group.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions

Where required, equivalent disclosures are given in the group accounts of Point Productions Limited. The group accounts of Point Productions Limited are available to the public and can be obtained as set out in note 11.

1.2 Going concern

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

Notes to the financial statements (continued)
For the year ended 31 March 2023

1 Accounting policies (continued)

1.3 Revenue

Revenue from the theatrical exhibition of motion pictures is recognised as the customer exhibits the film. Revenues from the licensing of motion picture are recognised when the product is available for use by the licensee. Revenues for motion pictures licensing arrangements involving multiple performance obligations, for example a fee for multiple titles, territories or availability dates, are allocated based on the relative standalone selling price of each performance obligation using the Company's best estimate based on available information such as market conditions and internal pricing guidelines. Each individual motion picture product delivered generally represents a separate performance obligation. Licensing revenue associated with certain renewals or extensions of existing agreements for motion pictures is recognised when the licensee can use and benefit from the content under the renewal or extension. Licensing revenue associated with minimum guarantees for symbolic intellectual property is recognised rateably over the license term.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these.

The company recognises revenue from the following major sources:

- Sale of rights
- Production services fee

1.4 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.

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1 Accounting policies (continued)

1.6 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 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.

1.8 Taxation

The tax credit represents the sum of the tax currently recoverable and deferred tax.

Current tax

The tax currently recoverable is based on relievable losses arising in the year as a result of film tax relief legislation. Relievable losses differ from net losses as reported in the profit and loss account because they include an additional deduction relating to qualifying film development expenditure and exclude items of income or expense that are taxable or deductible in other years, as well as items that are never taxable or deductible. The company's position is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions where practicable, else at the average rate over the period in which the transactions were incurred. 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 year.

Notes to the financial statements (continued)
For the year ended 31 March 2023

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to be any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Revenue

	2023 £	2022 £
Revenue analysed by class of business		
Sale of rights	674,402	1,228,436
Production services fee	4,148	3,659
	<u>678,550</u>	<u>1,232,095</u>

	2023 £	2022 £
Revenue analysed by geographical market		
United States of America	<u>678,550</u>	<u>1,232,095</u>

4 Operating loss

	2023 £	2022 £
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	<u>9,225</u>	<u>8,620</u>

5 Employees

During the year the company had no employees (2022: 0).

During the year the directors received no remuneration from the company (2022: £nil). The directors have been remunerated through other group companies in this year and the prior year.

6 Income tax expense

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	<u>(43,570)</u>	<u>(79,409)</u>

Waveland Pictures Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2023**6 Income tax expense (continued)****Deferred tax**

Origination and reversal of temporary differences

5,677

408

Total tax (credit)

(37,893)

(79,001)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2023	2022
	£	£
Loss before taxation	(39,422)	(75,750)
Expected tax credit based on a corporation tax rate of 19.00%	(7,490)	(14,393)
Losses	41,391	75,439
Effects of group relief/other reliefs	(77,471)	(140,455)
Transfer pricing adjustments	5,677	408
Taxation credit for the year	(37,893)	(79,001)

7 Trade and other receivables

	2023	2022
	£	£
VAT recoverable	2,988	-
Amounts owed by fellow group undertakings	984,684	1,868,764
	987,672	1,868,764

Other receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The amount owed by fellow group undertakings of £984,684 (2022: £1,868,764) is interest free and repayable on demand.

Waveland Pictures Limited

Notes to the financial statements (continued) For the year ended 31 March 2023

8 Trade and other payables

	2023 £	2022 £
Amounts owed to fellow group undertakings	7,411	1,326
Accruals and deferred income	15,065	966,055
Other payables	-	1,184
	<u>22,476</u>	<u>968,565</u>

The amount owed to fellow group undertakings of £7,411 (2022: £1,326) is interest free and repayable on demand.

9 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

10 Charges

Columbia Pictures Industries, Inc hold a floating charge over all right, title and interest in the film owned by the Company in respect of all amounts due or to become due from Waveland Pictures Limited in connection with the production of the film.

11 Controlling party

The parent company of Waveland Pictures Limited is Point Productions Limited its registered office is 12th Floor, Brunel Building, 2 Canalside Walk, London, W2 1DG.

The ultimate holding company and controlling party is Sony Corporation, a company incorporated in Japan. Sony Corporation is the smallest and largest group for which group financial statements are drawn up. Copies of the group financial statements can be obtained from Baker & McKenzie, 100 New Bridge Street, London EC4V 6JA.