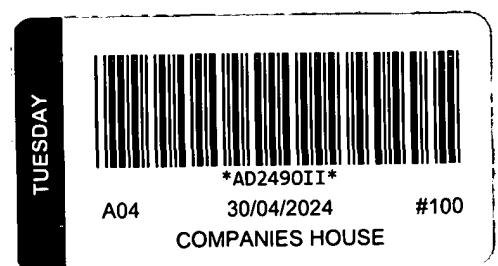


Registered number: 05020661

FULWELL 73 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023



FULWELL 73 LIMITED

COMPANY INFORMATION

Directors	L Pearlman B Turner G Turner J Moore (appointed 1 August 2022)
Company secretary	G Turner
Registered number	05020661
Registered office	1 Esther Anne Place London N1 1UL
Independent auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE

FULWELL 73 LIMITED

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FULWELL 73 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Introduction

The directors present the strategic report for Fulwell 73 Limited (the 'Company') for the year ended 31 July 2023.

Business review

The results for the year, as set out on page 10, were considered satisfactory by the directors who do not anticipate any changes in those activities over the coming financial reporting period.

The loss for the year amounted to £6,733,267 (2022: loss of £4,606,051). These results were driven by the increase in productions in the group for which the Company provides resources. The Company serves as a cost centre in the Group with third party revenues and profits being recorded in other Group companies.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company and the Group of which it is part of, relate to the general economic environment, competition from other distributors and film and television programming and the success of the Company's media content available for worldwide distribution.

Level of new production commissions

The success of the company very much depends on the new productions being commissioned by broadcasters within the group. The demand for programme content from broadcasters remains high, with new broadcasters playing a larger role in the industry.

Key performance indicators

The directors have monitored the performance of the Company, with particular reference to the following key performance indicators:

	2023	2022
	£	£
Turnover	6,525,098	6,221,976
Gross profit	6,411,449	6,098,456
Administrative expenses	(12,417,379)	(10,821,998)
Exceptional administrative expenses	(898,253)	-

Year on year turnover has increased by 5% which reflects an increase of activity within the group that the Company provides services to. This has consequently resulted in an increase in gross profit of 5%.

Administrative expenses have increased by 15%, this is largely attributable to an increase in staff costs of £2,308,615 as the Company continues to invest in people in order to facilitate future growth.

An exceptional expense of £898,253 (2022 - £Nil) has been recorded in respect of an onerous lease.

FULWELL 73 LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Financial risk management objectives and policies

The company uses various financial instruments which include cash balances and other items, such as debtors and creditors, which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit, currency and liquidity risk.

The directors review and agree policies for managing each of these risks, which are summarised below.

Credit risk

The Company's principal financial assets are cash and trade and other debtors.

The credit risk associated with cash balances is limited as the Company uses banks with high credit ratings assigned by international credit-rating agencies.

With respect to trade debtors, our customers are typically larger broadcasters and there is little credit risk. The company has not experienced any significant trade debtor write-offs to date.

Currency risk

The company enters into transactions that are denominated in currencies other than its functional currency and is therefore exposed to movements in foreign currency exchange rates. Where exchange rates change between reporting periods, fluctuations in the reported results of the company's operations may arise that are reflective of currency performance and not indicative of operating performance.

Liquidity Risk

The company manages a liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with their required terms. The financing of operations is managed at a Group level by the Company's ultimate parent undertaking.

Future developments

There are no significant future developments.

This report was approved by the board and signed on its behalf:



L. Pearlman
Director

Date:

28/4/24

FULWELL 73 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

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

Principal activity

The principal activity of the Company continued to be that of film and television production.

Results and dividends

The loss for the year, after taxation, amounted to £6,733,267 (2022 - *loss of £4,606,051*).

No ordinary dividends were declared or paid during the year (2022 - £Nil). The directors do not recommend payment of a final dividend (2022 - £Nil).

Directors

The directors who served during the year were:

L Pearlman
B Turner
G Turner
J Moore (appointed 1 August 2022)

Going concern

The directors, having made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the Company will continue in operation for at least twelve months from the date of approval of these financial statements.

The Company has the benefit of the financial support of the group. The Directors of the Company include a Director on the Board of profitable Group companies and are therefore confident that the Group would not rescind this support as the Company is a trading company of the Group. A letter of support has been provided to confirm this support will not be rescinded. This letter also confirms that intercompany loans will be not be demanded within 12 months of the signing of the financial statements. On this basis it is reasonable to look at the Group's resources.

FULWELL 73 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Saffery LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report was approved by the board on 28/4/24 and signed on its behalf.



L Pearlman
Director

FULWELL 73 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JULY 2023

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

FULWELL 73 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FULWELL 73 LIMITED

Opinion

We have audited the financial statements of Fulwell 73 Limited ("the company") for the year ended 31 July 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 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 July 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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. 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.

FULWELL 73 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FULWELL 73 LIMITED

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 Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

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 is 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

FULWELL 73 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FULWELL 73 LIMITED

identified laws and regulations that are of significance in the context of the company by discussions with directors and 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.

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, minutes of meetings and correspondence with relevant authorities 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.

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 testing the appropriateness of journal entries and 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 noncompliance 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



Nigel Walde (Senior Statutory Auditor)
for and on behalf of Saffery LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 25th April 2024

FULWELL 73 LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023**

	Note	2023 £	2022 £
Turnover	4	6,525,098	6,221,976
Cost of sales		(113,649)	(123,520)
Gross profit		6,411,449	6,098,456
Administrative expenses		(12,417,379)	(10,821,998)
Exceptional administrative expenses	10	(898,253)	-
Operating loss	5	(6,904,183)	(4,723,542)
Income from fixed assets investments		66,327	-
Interest receivable and similar income		8,632	1
Interest payable and similar expenses		(5,916)	-
Loss before tax		(6,835,140)	(4,723,541)
Tax on loss	9	101,873	117,490
Loss for the financial year		(6,733,267)	(4,606,051)

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 12 to 26 form part of these financial statements.

FULWELL 73 LIMITED
REGISTERED NUMBER: 05020661

BALANCE SHEET
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	3,308,048	4,341,542
Investments	12	1,898,814	1,898,814
		<u>5,206,862</u>	<u>6,240,356</u>
Current assets			
Debtors: amounts falling due within one year	13	13,952,989	10,090,899
Cash at bank and in hand	14	342,246	618,262
		<u>14,295,235</u>	<u>10,709,161</u>
Creditors: amounts falling due within one year	15	(22,104,316)	(13,900,003)
Net current liabilities		<u>(7,809,081)</u>	<u>(3,190,842)</u>
Total assets less current liabilities		<u>(2,602,219)</u>	<u>3,049,514</u>
Creditors: amounts falling due after more than one year	16	(928,740)	(2,215,422)
Provisions for liabilities			
Deferred tax	17	(227,997)	(329,870)
Other provisions	18	(2,470,089)	
		<u>(2,698,086)</u>	<u>(329,870)</u>
Net (liabilities)/assets		<u>(6,229,045)</u>	<u>504,222</u>
Capital and reserves			
Called up share capital	19	8	8
Profit and loss account	20	(6,229,053)	504,214
		<u>(6,229,045)</u>	<u>504,222</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

25/5/24


J. Pearlman
Director

The notes on pages 12 to 26 form part of these financial statements.

FULWELL 73 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2021	8	5,110,265	5,110,273
Loss for the year	-	(4,606,051)	(4,606,051)
At 1 August 2022	8	504,214	504,222
Loss for the year	-	(6,733,267)	(6,733,267)
At 31 July 2023	8	(6,229,053)	(6,229,045)

The notes on pages 12 to 26 form part of these financial statements.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. General information

Fulwell 73 Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Esther Anne Place, London, N1 1UL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Fulwell 73 Limited is a subsidiary of Fulwell 73 Productions LLP and the results of Fulwell 73 Limited are included in the consolidated financial statements of Fulwell 73 Productions LLP which are available from the website of Companies House.

2.2 Going concern

The directors, having made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the Company will continue in operation for at least twelve months from the date of approval of these financial statements.

The Company has the benefit of the financial support of the group. The Directors of the Company include a Director on the Board of profitable Group companies and are therefore confident that the Group would not rescind this support as the Company is a trading company of the Group. A letter of support has been provided to confirm this support will not be rescinded. This letter also confirms that intercompany loans will not be demanded within 12 months of the signing of the financial statements. On this basis it is reasonable to look at the Group's resources.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.4 Turnover

Turnover represents amounts receivable for motion picture and television production services.

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 it is probable will be recovered.

Where contracts contain sale values based on milestones, these values are used to recognise revenue.

Revenue from the provision of professional services to Fulwell 73 Group companies is recognised when the services have been provided. These services include the supply of production staff and the use of equipment.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.9 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 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.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- straight line over 10 years
Plant and machinery	- straight line over 5 years
Fixtures and fittings	- straight line over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.17 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 balance sheet 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

FULWELL 73 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements

- Determining whether amounts owed by customers are displaying indicators of impairment. Factors taken into consideration are the amounts received after the reporting date and expected future receipts.
- Determining whether the fixed asset investments held by the Company are impaired. Factors taken into consideration are the net assets, performance and expected future performance of the investments.
- Other key sources of estimation uncertainty:

Tangible fixed assets (see Note 11)

Tangible fixed assets are depreciated over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation are taken into account.

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

4. Turnover

The whole of the turnover is attributable to motion picture production activities and television programme production activities.

Analysis of turnover by country of destination:

	2023 £	2022 £
UK	6,520,828	5,833,697
USA	2,659	387,338
Rest of the world	1,611	941
	<u>6,525,098</u>	<u>6,221,976</u>

5. Operating loss

The operating (loss)/profit is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	827,338	911,512
Exchange differences	132,905	(99,712)
Operating lease rentals	801,826	801,826
Payroll costs recharged to group companies	<u>(1,376,532)</u>	<u>(1,788,386)</u>

6. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>40,400</u>	<u>45,500</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	8,957,413	6,891,272
Social security costs	1,113,813	841,465
Cost of defined contribution pension scheme	186,034	215,908
	<u>10,257,260</u>	<u>7,948,645</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Development	8	5
Admin	20	14
Operations	8	7
Post-production	25	23
Production	41	36
	<u>102</u>	<u>85</u>

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	2,431,250	1,269,457
	<u>2,431,250</u>	<u>1,269,457</u>

The highest paid director received remuneration of £750,000 (2022 - £420,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2022 - £NIL).

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

9. Taxation

	2023 £	2022 £
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(188,370)	(117,490)
Adjustments in respect of prior periods	86,497	
Total deferred tax	(101,873)	(117,490)
Taxation on loss on ordinary activities	(101,873)	(117,490)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 21.01% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	(6,835,140)	(4,723,541)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.01% (2022 - 19%)	(1,436,063)	(897,473)
Effects of:		
Expenses not deductible for tax purposes	14,712	164,506
Other permanent differences	361	
Adjustments to tax charge in respect of prior periods	86,497	
Fixed asset differences	(41)	(117,490)
Exempt ABGH distributions	(13,932)	
Group relief surrendered	44,611	
Movement in deferred tax not recognised	1,484,477	732,967
Remeasurement of deferred tax for changes in tax rates	(282,495)	
Total tax charge for the year	(101,873)	(117,490)

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

10. Exceptional Items

		2023 £	2022 £
Onerous lease expense	18	898,253	
		<u>898,253</u>	

11. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2022	3,112,729	2,696,607	326,455	6,135,791
Additions	6,443	84,657	11,950	103,050
Transfers intra group		(681,620)		(681,620)
Disposals		(62,272)		(62,272)
At 31 July 2023	<u>3,119,172</u>	<u>2,037,372</u>	<u>338,405</u>	<u>5,494,949</u>
Depreciation				
At 1 August 2022	580,389	1,095,194	118,666	1,794,249
Charge for the year on owned assets	311,700	433,452	82,186	827,338
Transfers intra group		(372,414)		(372,414)
Disposals		(62,272)		(62,272)
At 31 July 2023	<u>892,089</u>	<u>1,093,960</u>	<u>200,852</u>	<u>2,186,901</u>
Net book value				
At 31 July 2023	<u>2,227,083</u>	<u>943,412</u>	<u>137,553</u>	<u>3,308,048</u>
At 31 July 2022	<u>2,532,340</u>	<u>1,601,413</u>	<u>207,789</u>	<u>4,341,542</u>

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2022	1,898,814
At 31 July 2023	<u>1,898,814</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
A Bus Could Run Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%
AIC The Film Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%
CO92 The Film Limited	1 Esther Anne Place, London, N1	1UL Ordinary	50%
Creativity Media Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%
H of A Production Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%
Ibiza 87 Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%
LU The Film Limited	1 Esther Anne Place, London, N1	1UL Ordinary	50%
UB The Film Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%
F73 Productions Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%
Fulwell Music Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%
Fulwell Sales and Distribution Limited	1 Esther Anne Place, London, N1	1UL Ordinary	100%

13. Debtors

	2023 £	2022 £
Trade debtors	50,275	29,468
Amounts owed by group undertakings	13,345,724	7,809,702
Other debtors	278,144	315,986
Prepayments and accrued income	278,846	341,894
Tax recoverable		1,593,849
	<u>13,952,989</u>	<u>10,090,899</u>

The amounts owed by group undertakings and undertakings in which the Company has a participating interest are repayable on demand and interest free.

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

14. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	342,246	618,262
	<u>342,246</u>	<u>618,262</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	341,277	725,415
Amounts owed to group undertakings	20,051,603	10,305,092
Other taxation and social security	411,572	1,211,570
Other creditors	988,904	1,598,076
Accruals and deferred income	310,960	59,850
	<u>22,104,316</u>	<u>13,900,003</u>

Included in other creditors is an amount of £516,672 (2022 - £1,078,535) relating to lease incentives spread over the lease term of the property they relate to.

The amounts owed to group undertakings are repayable on demand and interest free.

16. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other creditors	<u>928,740</u>	<u>2,215,422</u>

Included in other creditors due after more than one year is an amount of £928,740 (2022 - £2,215,422) relating to lease incentives spread over the lease term of the property they relate to.

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Deferred taxation

	2023 £	2022 £
At beginning of year	(329,870)	(447,360)
Charged to profit or loss	101,873	117,490
At end of year	(227,997)	(329,870)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(227,997)	(329,870)
	(227,997)	(329,870)

18. Provisions

	Onerous lease provision £
Charged to profit or loss	898,253
Other movements	1,571,836
At 31 July 2023	2,470,089

During the year a provision of £2,407,089 (2022 - £Nil) was recognised in respect of an onerous lease.

An amount of £1,571,836 previously recorded as a lease incentive liability was reclassified from other creditors to the onerous lease provision.

An exceptional administrative expense of £898,253 (2022 - £Nil) has been recorded in recognising the provision.

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

19. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
8 (2022 - 8) Ordinary shares of £1.00 each	8	8

20. Reserves

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

21. Commitments under operating leases

At 31 July 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	1,078,535	1,078,535
Later than 1 year and not later than 5 years	4,314,140	4,314,140
Later than 5 years	7,190,233	8,268,768
	12,582,908	13,661,443

22. Other financial commitments

From 31 October 2023, a shareholder in Fulwell 73 Holdco Limited, the immediate parent company of the Company, held a fixed and floating charge over all property or undertakings of the company. This charge also contains a negative pledge.

FULWELL 73 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

23. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transaction with its immediate parent company or any wholly owned subsidiary undertaking of the group.

During the year the Company credited sales of £12,390 (2022 - sales of £91,005) to Jamm The Film Limited, a company with a common shareholder. At the year end, a balance of £78,639 (2022 - £91,029) is included within other debtors.

Included within other creditors are amounts due to Directors of the Company as follows:

	2023 £	2022 £
B Turner		(3,331)
G Turner	(2,831)	(16,399)
	<u>(2,831)</u>	<u>(19,730)</u>

During the year, repayments of £3,331 (2022 - £17,315) were made to B Turner.

During the year, repayments of £13,568 (2022 - £4,785) were made to G Turner.

Included within other debtors are amounts due from Directors of the Company as follows:

	2023 £	2022 £
L Pearlman	53,311	11,186
B Turner	9,441	
	<u>62,752</u>	<u>11,186</u>

During the year, repayments of £Nil (2022 - £148,251) were received from L Pearlman.

24. Controlling party

Fulwell 73 Holdco Limited is the immediate parent undertaking with Fulwell 73 Productions LLP being the ultimate parent undertaking. Registered office of both parents is at 1 Esther Anne Place, London, N1 1UL.

Fulwell 73 Productions LLP prepares group accounts and copies can be obtained from the website of Companies House