

Registered number: 08723975

Wonder Television Limited
(formally known as 7 Wonder Productions Limited)
Annual Report and Financial Statements
For the Year Ended 31 December 2018



Wonder Television Limited (formally known as 7 Wonder Productions Limited)

Company Information

Directors	C M Burke S J Gregson P Langenberg A J Fraser
Registered number	08723975
Registered office	Gloucester Building Kensington Village Avonmore Road London England W14 8RF
Independent auditors	Ernst & Young LLP London SE1 2AF
Bankers	Natwest 1 Princes Street London EC2R 8BP

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

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Wonder Television Limited (formally known as 7 Wonder Productions Limited)

Strategic Report For the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Review of the business

The principal activity of the Company is the production of television programmes for broadcast purposes. The performance of the Company during 2018 was in line with expectations.

During the year the Company was acquired by the Banijay Group via Banijay UK Limited. As a result they now present their numbers under FRS 101 rather than FRS 102.

On 3rd April 2019 the company has changed its name from 7 Wonder Productions Limited to Wonder Television Limited.

Business environment

The UK television market continues to be challenging, with customers maintaining pressure on license fees paid for both new and returning commissions. However, there continue to be new buyers to the marketplace, so the portfolio of potential customers continues to increase.

Strategy and future developments

The Company's success is dependent upon the successful selling and production of television programmes, and the recruitment and retention of key talent in order to achieve this aim. It is important for the Company to continue to diversify its portfolio of customers to take advantage of opportunities available, both in linear and non-linear broadcast channels. In addition, close monitoring of programme profit margins, as well as the development of ideas with international sales potential are key to the continuing profitability of the Company.

Key performance indicators

The entity's key performance indicators are considered to be as follows:

1. Turnover – £7.9 million (2017: £13.0 million)
2. Operating loss - £1.2 million (2017: £1.8 million)

Principal risks and uncertainties

The Banijay Group SAS, the intermediate parent undertaking, manages business and financial risks and uncertainties at group level, rather than on an individual company basis. As a result the Company has reduced exposure to business and financial risks because it is able to call on group financial resources and experience, for instance hedging currency fluctuations.

Commercial risk

The principal commercial risks inherent in the activities of the Company relate to the ability of the Company to develop, produce and represent television programmes which generate an audience for the Company's broadcaster clients. The Company aims to manage this risk by maintaining a diversified catalogue of television programmes.

Currency risk

The Company is also exposed to currency risk by virtue of the proportion of its business being invoiced in foreign currencies. The Company holds cash in foreign currencies in order to hedge these exposures.

Credit risk

The principal credit risk arises from trade debtors. The Company aims to manage this risk by setting limits for customers based on a combination of payment history and third party credit references, which are reviewed on a regular basis in conjunction with debt ageing and collection history.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

Strategic Report (continued)
For the Year Ended 31 December 2018

Cyber Security and Data Protection risk

Risk that the Group is subject to increasingly sophisticated cyber-attacks aimed at causing business disruption, capture of data for financial gain and reputational damage. The Group has strengthened controls and defences around this area of risk, including additional security levels applied to IT systems, and remains vigilant to the increasing threat.

This report was approved by the board on 16 May 2019 and signed on its behalf.



C M Burke
Director

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Directors' Report
For the Year Ended 31 December 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is the production of television programmes for broadcast purposes.

Results and dividends

The loss for the year, after taxation, amounted to £1.1 million (2017 - £1.8 million). The directors do not recommend a final dividend (2017 - £Nil).

Directors

The directors who served during the year and up to the date of signing were:

C M Burke (appointed 27 February 2018)
S J Gregson (appointed 27 February 2018)
P Langenberg (appointed 27 February 2018)
A J Fraser
L J Abbott (resigned 1 May 2018)
T Hegarty (resigned 27 February 2018)
B McWilliam (resigned 27 February 2018)
S R Ellse (resigned 23 October 2018)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future.

The financial statements have been prepared on the going concern basis. The company has reported a loss of £1.1 million for the period (2017 - £1.8 million loss) and at the period end it is in a net liability position of £3.7 million (2017 - £2.6 million).

In addition, the Company's intermediate parent undertaking, Banijay Group SAS has agreed to provide financial support as necessary for a period of at least twelve months from the date the directors approve the financial statements of the Company. The directors, having made sufficient enquiries, are satisfied that Banijay Group SAS is in a position to provide the level of support required and hence have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Qualifying third party indemnity provisions

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions are in force as at the date of approving the Directors' report.

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.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Directors' Report (continued)
For the Year Ended 31 December 2018**

Auditors

During the year, in accordance with section 485 of the Companies Act 2006, the directors appointed Ernst & Young LLP as auditor of the company. An ordinary resolution is to be proposed for reappointment of Ernst & Young LLP for the next financial year.

This report was approved by the board on 16 May 2019 and signed on its behalf.



C M Burke
Director

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Directors' Responsibilities Statement
For the Year Ended 31 December 2018**

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 101 'Reduced Disclosure Framework'. 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 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 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.

Independent Auditors' Report to the Shareholders of Wonder Television Limited (formally known as 7 Wonder Productions Limited)

Opinion

We have audited the financial statements of Wonder Television Limited (formally known as 7 Wonder Productions Limited) (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 21, 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 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 December 2018 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

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.

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 Auditors' 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.

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

Independent Auditors' Report to the Shareholders of Wonder Television Limited (formally known as 7 Wonder Productions Limited) (continued)

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.

Opinion 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 have 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 Strategic Report or 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 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.

Independent Auditors' Report to the Shareholders of Wonder Television Limited (formally known as 7 Wonder Productions Limited) (continued)

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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.

Ernst & Young LLP

Louise Pennell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London
Date: 17/5/19

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Statement of Comprehensive Income
For the Year Ended 31 December 2018**

		Year ended 31 December 2018 £	<i>As restated Period ended 31 December 2017 £000</i>
	Note		
Turnover	2	7,935	12,925
Cost of sales		(6,848)	(10,503)
Gross profit		1,087	2,422
Administrative expenses		(2,321)	(4,193)
Operating loss	4	(1,234)	(1,771)
Interest payable and similar expenses	7	(77)	(18)
Loss before tax		(1,311)	(1,789)
Tax on loss	8	222	-
Loss for the financial year		(1,089)	(1,789)
Other comprehensive income for the year			
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,089)	(1,789)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 12 to 29 form part of these financial statements.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)
Registered number:08723975

Statement of Financial Position
As at 31 December 2018

		2018	As restated 2017
	Note	£000	£000
Fixed assets			
Tangible assets	9	42	70
		<u>42</u>	<u>70</u>
Current assets			
Stocks	11	238	1,508
Debtors	12	651	395
Cash at bank and in hand		194	31
		<u>1,083</u>	<u>1,934</u>
Creditors: amounts falling due within one year	13	(1,932)	(4,579)
Net current liabilities		<u>(849)</u>	<u>(2,645)</u>
Total assets less current liabilities		<u>(807)</u>	<u>(2,575)</u>
Creditors: amounts falling due after more than one year	14	(2,857)	-
Net liabilities		<u>(3,664)</u>	<u>(2,575)</u>
Capital and reserves			
Share premium account		1,500	1,500
Profit and loss account		(5,164)	(4,075)
		<u>(3,664)</u>	<u>(2,575)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2019.



C M Burke
Director

The notes on pages 12 to 29 form part of these financial statements.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Statement of Changes in Equity
For the Year Ended 31 December 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018 (as restated)	-	1,500	(4,075)	(2,575)
Comprehensive income for the year				
Loss for the year	-	-	(1,089)	(1,089)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(1,089)	(1,089)
At 31 December 2018	-	1,500	(5,164)	(3,664)

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2016 (as restated)	-	1,500	(2,286)	(786)
Comprehensive income for the period				
Loss for the period including adjustment (ref note 1.1)	-	-	(1,789)	(1,789)
Total comprehensive loss for the period	-	-	(1,789)	(1,789)
At 31 December 2017 (as restated)	-	1,500	(4,075)	(2,575)

The notes on pages 12 to 29 form part of these financial statements.

On 27 February 2018, 100% of the shares in the Company were acquired by Banijay UK Limited. As a result, the Company's accounting policies were aligned to that of the parent. This has resulted in a prior year revenue adjustment which is to align the Company revenue recognition policy in line with the parent group revenue recognition policy.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements of Wonder Television Limited (the "Company") for the year ended 31 December 2018 were authorised for issue by the board of directors on 16 May 2019 and the statement of financial position was signed on the board's behalf by Carmel Burke. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. Accordingly, in the year ended 31 December 2018 the company has undergone transition from reporting under FRS 102 to FRS 101 as issued by the Financial Reporting Council. The results of Wonder Television Limited are included in the consolidated financial statements of its intermediate parent undertaking, Banijay Group SAS, which are publicly available.

On 3rd April 2019, the company has changed its name from 7 Wonder Productions Limited to Wonder Television Limited.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has adopted FRS 101 for the first time. In the transition to FRS 101, the company has applied IFRS 1 First-time Adoption of International Financial Reporting Standards whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the company is provided in note 21.

Wonder Television Limited is incorporated and domiciled in England and Wales. The Company is private and limited by shares.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The financial statements contain information about Wonder Television Limited as an individual entity and do not contain consolidated financial information. The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its intermediate parent undertaking, Banijay Group SAS, which are publicly available.

On 27 February 2018, 100% of the shares in the Company were acquired by Banijay UK Limited. As a result, the Company's accounting policies were aligned to that of the parent. This has resulted in a prior year revenue adjustment which is to align the Company revenue recognition policy in line with the parent group revenue recognition policy. In addition, the mapping of the 2017 financial reports has been updated to be aligned for with 2018 and the rest of the Group. This has had no impact on the net asset/liability position of the Company.

The impact of the prior period restatement on the financial statements is as follows:

Impact on shareholders funds (increase)/decrease in shareholders funds

	2017 £'000
Current Assets	(774)
Current Liabilities	575
Net impact on shareholders funds	(200)

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

1.1 Basis of preparation of financial statements (continued)

Impact on profit and loss

	2017 £'000
Increase in revenue	575
Decrease in cost of sales	(774)
Increase in profit for the year	200

The principal accounting policies adopted by the Company are set out below.

1.2 Adoption of the new and revised standard

The company adopted the following new or revised standards which were effective for accounting periods beginning on or after 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 2 (amendments) Classification and Measurement of Share-based Payment Transactions.

The adoption of the standards shown above did not have a material impact on the financial statements.

IFRS 16 Leases will be effective in the financial statements for the year ending 31 December 2019. As at 31 December 2018, the company is currently considering the impact of the IFRS 16 on its result and financial position.

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

1.3 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.4 Judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements and estimations have had the most significant effect on amounts recognised in the financial statements:

Production cost

Production costs are expensed as cost of sales in accordance with accounting policy shown in note 1.15. Recognition of production cost per episode is based upon management's judgement of the estimated future cost of completing the production.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

1.5 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future.

The financial statements have been prepared on the going concern basis. The company has reported a loss of £1.1 million for the period (2017 - £1.8 million loss) and at the period end it is in a net liability position of £3.7 million (2017 - £2.6 million).

In addition, the Company's intermediate parent undertaking, Banijay Group SAS has agreed to provide financial support as necessary for a period of at least twelve months from the date the directors approve the financial statements of the Company. The directors, having made sufficient enquiries, are satisfied that Banijay Group SAS is in a position to provide the level of support required and hence have concluded that it is appropriate to prepare the financial statements on a going concern basis.

1.6 Revenue

Performance obligations are the goods or services promised in the contract. The company recognises revenue when it has satisfied a performance obligation by providing the customer with the promised good or service.

A performance obligation is satisfied when control of the good or service is transferred to the customer. This transfer takes place at a point in time.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably estimated.

Revenues are measured at the fair value of the consideration received or receivable, net of rebates, and net of consideration payable to a customer (pay-backs).

If a contract includes a significant financing component, the revenue is discounted at revenue recognition date to reflect the credit facility granted to the customer.

Production revenues (from producing television programs)

Production revenues are recognized when the programs are delivered to the client. Standard criteria to establish revenue recognition are:

- in most cases: client's acceptance document (i.e. delivery notice signed / approved by the client, etc)
- delivery of a certain number of episodes, and
- expiry of the period stated in the contract to reject or return the product.

In case of partial delivery of the same program over several periods of time (series, etc.), revenue, costs and margin are recognized according to episodic deliveries.

Production revenues are booked net of grants, subsidies and co-producers' contributions.

Revenue not meeting these conditions is deferred. Revenue recognised in the statement of comprehensive income but not yet invoiced is held on the statement of financial position within prepayments and accrued income. Revenue invoiced but not yet recognised in the statement of comprehensive income is held on the statement of financial position within accruals and deferred income.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

1.6 Revenue (continued)

Distribution revenues (from the sale of finished programs)

Distribution revenues are recognized when the rights are transferred to the client:

- on the basis of a signed contract or a deal memo, and
- when the related rights are opened, and
- for the full revenue (revenues are not spread over the licensing period), as it is an access to right.

As a result, distribution revenues are only recognized when productions are completed and delivered.

Inter-group and third-party royalty income

Inter-group royalty income is recognised in the financial statements on an accruals basis.

Royalty income from third party distributors is recognised on statement receipt basis as this is when the revenue is measurable.

Revenues from other rights and services

Other rights and services include merchandising, music rights, other ancillary revenues and digital services.

Merchandising revenues are recognized when the rights are transferred to the client:

- on the basis of a signed contract or a deal memo, and
- when the licensing period begins, and
- for the full revenue (revenues are not spread over the licensing period).

Advanced payments are recognised as revenue when the above criteria are met and further payments are recognised when received.

1.7 Tangible fixed assets

Tangible fixed asset are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs includes costs already attributable to making the assets operate as intended.

Depreciation is provided on all property, plant and equipment on a straight line basis over its expected useful life as follows:

Fixtures and fittings	- 5 years
Office equipment	- 3 years

The carrying values of fixed assets are reviewed for impairment when changes in circumstances indicate the carrying value may not be recoverable.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

1.8 Investments

Investments are stated at cost, less any provisions for impairment. The company assess at each reporting date whether there is an indication that an asset may be impaired. The carrying values of fixed asset are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Any impairment loss is charged to statement of comprehensive income immediately. If, in a subsequent period, the amount of the impairment loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

1.9 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date.

All differences are taken to the statement of comprehensive income.

Presentational currency and functional currency are the same.

1.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

1.11 Operating leases: the Company as lessee

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the assets are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

1.12 Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company. Contributions are charged to the Statement of Comprehensive income as they become payable in accordance with the rules of the scheme.

1.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

1.14 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of comprehensive income.

1.15 Stocks

Production costs are recognised:

- In work in progress until programmes are delivered.
- In the statement of comprehensive income (in cost of sales) as soon as programmes are delivered and related production revenues are recognised.
- Production costs are booked net of grants, subsidiaries and co-production financing.

1.16 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. Any losses arising from impairment are recognised in statement of comprehensive income in operating expenses

1.17 Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Wonder Television Limited (formally known as 7 Wonder Productions Limited)

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

1.18 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.19 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company recognises its financial assets into the category below.

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for this category is as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities into the category discussed below.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

2. Turnover

The turnover was derived from the Company's principal activity, an analysis of which is given below by geographical market:

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
United Kingdom	7,935	12,925
	7,935	12,925

3. Auditors' remuneration

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	9
	-	9

The audit fees for 2018 were borne by Banijay (Central) Limited, a fellow subsidiary undertaking, on behalf of the Company.

4. Operating loss

The operating loss is stated after charging:

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
Research & development charged as an expense	10	12
Depreciation of tangible fixed assets	53	92
Defined contribution pension cost	14	1
Operating lease payment	202	351

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

5. Employees

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

	2018	2017
Administration	5	5
Production	32	40
Management	3	3
	40	48

6. Directors' remuneration

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
Directors' emoluments	428	575
Company contributions to defined contribution pension schemes	1	-
	429	575

During the year retirement benefits were accruing to 1 directors (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £191,000 (2017 - £265,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,000 (2017 - £Nil).

During the year the compensation for loss of office was £31,000 (2017 - £Nil).

The highest paid director received compensation for loss of office of £31,000 (2017 - £Nil).

Remuneration for 3 directors are paid directly by the Company (2017: 3). The other directors are remunerated by Banijay (Central) Limited. It is not practical to determine the proportion of their emoluments which relate to their services as directors of this Company.

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

7. Interest payable and similar expenses

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
Intercompany interest payable	77	18
	<u>77</u>	<u>18</u>

8. Taxation

	Year ended 31 December 2018 £000	Period ended 31 December 2017 £000
Group taxation relief received	(222)	-
	<u>(222)</u>	<u>-</u>
Total current tax	<u>(222)</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on (loss)/profit	<u>(222)</u>	<u>-</u>

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

8. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.5%). The differences are explained below:

	Year ended 31 December 2018 £000	As restated Period ended 31 December 2017 £000
Loss before tax	(1,311)	(1,789)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.5%)	(249)	(349)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	8
Other timing differences leading to a decrease in taxation	-	(3)
Income not taxable	(24)	-
Deferred tax movement in the year	51	330
Other adjustment	-	14
Total tax charge for the year/period	(222)	-

The company has unrecognised deferred tax asset of £644k (2017 - £640k) in respect of fixed asset timing differences and unutilised tax losses. The directors have concluded that there is insufficient certainty of future taxable profits to allow this to be recognised.

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

8. Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate reduced to 20% from 1 April 2015. The UK corporation tax rate fell to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020 in accordance with legislation that was substantively enacted by 31 December 2018.

The reduction in corporation tax rates from 2017 to 2020 will have an impact on the recognition of deferred tax in the Company's accounts. Deferred tax should be recognised at the tax rate which has been enacted, or is substantively enacted, at the statement of the financial position date. Finance (No 2) Bill 2016 states that the corporation tax rate will reduce to 19% and further to 17% from 1 April 2020.

Therefore, rates of 19% and 17% should currently be used, depending on when the timing and temporary differences are expected to be reversed.

The unrecognised deferred tax assets within the Banijay group are calculated at a rate of 17%.

9. Tangible fixed assets

	Fixtures and fittings £000	Office equipment £000	Total £000
Cost			
At 1 January 2018	36	188	224
Additions	1	29	30
Disposals	(4)	(4)	(8)
At 31 December 2018	33	213	246
Depreciation			
At 1 January 2018	23	131	154
Charge for the year	7	46	53
Disposals	(3)	-	(3)
At 31 December 2018	27	177	204
Net book value			
At 31 December 2018	6	36	42
At 31 December 2017	13	57	70

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

10. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

The registered office address of Babylon Publishing Limited is Gloucester Building Kensington Village, Avonmore Road, London, England, W14 8RF. Babylon Publishing Limited was dissolved on 8 January 2019.

11. Stocks

	2018	<i>As restated</i>
	£000	2017
		£000
Work in progress	238	1,508
	238	1,508

12. Debtors

	2018	<i>As restated</i>
	£000	2017
		£000
Trade debtors	171	146
Amounts owed by group undertakings	222	-
Other debtors	53	69
Prepayments and accrued income	77	66
Tax receivable	128	114
	651	395

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

13. Creditors: Amounts falling due within one year

	2018	<i>As restated</i>
	£000	2017
		£000
Bank overdrafts	-	47
Bank loans	-	380
Trade creditors	385	98
Amounts owed to group undertakings	356	536
Other taxation and social security	105	80
Other creditors	-	509
Accruals and deferred income	1,086	2,929
	1,932	4,579

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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

	2018	2017
	£000	£000
Loan from immediate parent undertakings	2,857	-
	2,857	-

This is related to the following loans from Banijay UK Limited, parent undertaking:

- £1,537,000: This loan is repayable on 27 February 2023 with interest at 4.25% plus 6-month LIBOR. The interest is payable on a quarterly basis.

- £1,300,000: This loan is repayable on 27 February 2023 with interest at 4.25% plus 6-month LIBOR. The interest is payable on a quarterly basis.

- £20,000: This loan is repayable on 27 February 2023 with interest at 4.25% plus 6-month LIBOR. The interest is payable on a quarterly basis.

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

15. Financial instruments

	2018	<i>As restated</i>
	£000	2017
		£000
Financial assets		
Loans and receivables	574	2,538
Financial liabilities		
Non current creditors	(2,857)	-
Creditors	(846)	(1,650)

Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset.

Financial liabilities

Creditors

Creditors are both interest and non-interest bearing and are normally settled on negotiated commercial terms depending on the nature of the creditor. The disclosure with relation to those creditors which are interest bearing are given in Notes 14. Other creditors are non-interest bearing and have a payment term which is agreed with management.

16. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
3,011 (2017 - 3,011) Ordinary A shares of £0.001- each	3	3
3,000 (2017 - 3,000) Ordinary B shares of £0.001- each	3	3
6,719 (2017 - 6,719) Growth shares of £0.0005- each	3	3
5,706 (2017 - 5,706) New Growth shares of £0.0005- each	3	3
	12	12

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16. Share capital (continued)

During the prior period the company issued and allotted 719 Growth and 1,706 New Growth shares of an aggregate nominal value of £1.2125 at par.

The profits of the Company which are available for lawful distribution in respect of each accounting period and in respect of which a dividend is declared shall be applied amongst the A class shares, B class shares and Growth shares pari passu as if the same constituted one class of share capital on a capital distribution (including winding up).

Capital proceeds shall be distributed as follows: first holders of growth shares shall receive £1.61 per Growth share second A class and B class shares holders shall receive the ordinary entitlement in proportion to the nominal value of their holdings of ordinary shares; and thirdly holders of Growth shares shall receive the balance of the capital proceeds in proportion to the number of Growth shares held by them redemption a shares do not confer any rights of redemption

In the event of a capital distribution event (including winding up):

Growth shareholders and New Growth shareholders will preferentially receive £10.00 per Growth share; and secondly in respect of capital proceeds in excess of the preferential payment to Growth shareholders. Class A and Class B shareholders will receive such proceeds in proportion to the nominal value of their holdings of such shares; and thirdly Growth shareholders will receive the balance of such proceeds in excess of £1,800,000 in proportion to the number of Growth shares held.

17. Capital commitments

The Company had no capital commitments 31 December 2018 or 31 December 2017.

18. Pension commitments

The Company operates a defined contribution pension scheme.

The pension charge for the year represents contributions payable by the Company scheme and amounted to £11,528 (2017 - £1,171).

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**Notes to the Financial Statements
For the Year Ended 31 December 2018**

19. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	119	153
Later than 1 year and not later than 5 years	-	174
	119	327

The operating lease agreement is for rooms F34-39, First Floor, New Wing, Somerset House WC2R 1LA. The lease is due to expire on 30/09/2019.

20. Controlling party

The immediate parent undertaking is Banijay UK Limited.

The parent undertaking of the smallest and largest group which includes the Company and for which publicly available group financial statements are prepared is Banijay Group SAS. Copies of these financial accounts can be obtained from 5 Rue Francois 1er, 75008 Paris, France.

At the date of the statement of financial position the ultimate parent undertaking and controlling party is Stéphane Courbit's LOV Group who controls Banijay Group.

21. Transition to FRS 101

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

For the year ended 31 December 2017, the company prepared its financial statements in accordance with FRS 102. These financial statements, for the year ended 31 December 2018, are the first the company has prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In preparing these financial statements, the company has started from an opening balance sheet as at 1 January 2017, the company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the company in restating its balance sheet as at 1 January 2017 prepared under FRS 102 and its previously published FRS 102 financial statements for the year ended 31 December 2017.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards" except for the requirement of paragraphs 6 and 21 to present an opening statement of financial position at the date of transition.

On transition to FRS 101, no adjustments were required to the previous FRS 102 reported opening balance sheet position as at 1 January 2017.