

Kudos (Broadchurch) Limited
Financial Statements
31 December 2020



Kudos (Broadchurch) Limited

Financial Statements

Year ended 31 December 2020

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the members	4
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11

Kudos (Broadchurch) Limited

Officers and Professional Advisers

The board of directors

M E Haines
L H M Hicks
K Wilson
D O'Gara
P A Salmon

Registered office

12-14 Amwell Street
London
United Kingdom
EC1R 1UQ

Auditor

Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
United Kingdom
WC2H 7DQ

Kudos (Broadchurch) Limited

Directors' Report

Year ended 31 December 2020

The directors present their report and the Financial Statements of the company for the year ended 31 December 2020.

Directors

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

M E Haines	
L H M Hicks	
K Wilson	
D O'Gara	(Appointed 1 September 2020)
P A Salmon	(Appointed 1 September 2020)
R R Johnston	(Resigned 14 August 2020)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

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

Directors' Report *(continued)*

Year ended 31 December 2020

Small company provisions

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

27/9/2021

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

Martin Haines

M E Haines
Director

Kudos (Broadchurch) Limited

Independent Auditor's Report to the Members of Kudos (Broadchurch) Limited

Year ended 31 December 2020

Opinion

We have audited the Financial Statements of Kudos (Broadchurch) Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and 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.

Kudos (Broadchurch) Limited

Independent Auditor's Report to the Members of Kudos (Broadchurch) Limited (continued)

Year ended 31 December 2020

Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the Financial Statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Kudos (Broadchurch) Limited

Independent Auditor's Report to the Members of Kudos (Broadchurch) Limited (continued)

Year ended 31 December 2020

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the Company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the Company's financial statements to material misstatement from irregularities, including fraud, and instances of non-compliance with laws and regulations.

Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error and were all deemed to relate to the production of the television series entitled "Broadchurch - Series 2 and Broadchurch - Series 3".

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
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Kudos (Broadchurch) Limited

Independent Auditor's Report to the Members of Kudos (Broadchurch) Limited (continued)

Year ended 31 December 2020

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Joberns

Stephen Joberns (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
United Kingdom
WC2H 7DQ

28 September 2021

Kudos (Broadchurch) Limited
Statement of Comprehensive Income
Year ended 31 December 2020

		Year to 31 Dec 20 £	Period from 24 Oct 18 to 31 Dec 19 £
Turnover	Note	525,639	886,622
Cost of sales		(651,560)	(1,108,277)
Gross loss		(125,921)	(221,655)
Operating loss		(125,921)	(221,655)
Loss before taxation		(125,921)	(221,655)
Tax on loss	5	125,921	221,655
Result for the financial year and total comprehensive income		—	—

All the activities of the company are from continuing operations.

The notes on pages 11 to 14 form part of these Financial Statements.

Kudos (Broadchurch) Limited

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Current assets			
Debtors	6	125,922	221,656
Creditors: amounts falling due within one year	7	(125,921)	(221,655)
Net current assets		<u>1</u>	<u>1</u>
Total assets less current liabilities		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	8	<u>1</u>	<u>1</u>
Shareholders funds		<u>1</u>	<u>1</u>

These Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These Financial Statements were approved by the board of directors and authorised for issue on 27/9/2021, and are signed on behalf of the board by:

Martin Haines

M E Haines
Director

Company registration number: 08731985

The notes on pages 11 to 14 form part of these Financial Statements.

Kudos (Broadchurch) Limited

Statement of Changes in Equity

Year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total £
At 24 October 2018	1	–	1
Profit for the year		–	–
At 31 December 2019	1	–	1
Profit for the year		–	–
At 31 December 2020	<u>1</u>	<u>–</u>	<u>1</u>

The notes on pages 11 to 14 form part of these Financial Statements.

Kudos (Broadchurch) Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 12-14 Amwell Street, London, EC1R 1UQ, United Kingdom.

2. Statement of compliance

These Financial Statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The Financial Statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The Financial Statements are prepared in sterling, which is the functional currency of the entity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Significant estimation technique adopted

Accruals are estimated by reference to purchase orders raised at the period end and estimates to complete. Payments received on account are estimated by reference to percentage of completion of the television production, as noted in "Turnover" below.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying small entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under section 1A of FRS 102:

(a) No cash flow statement has been presented for the company.

(b) Disclosures in respect of financial instruments have not been presented.

Revenue recognition

Turnover relates to the production of the television series entitled "Broadchurch - Series 2 and Broadchurch - Series 3". It represents the value of the work done in the period, including estimates of amounts not invoiced and is stated after trade discounts, other taxes and net of VAT.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Kudos (Broadchurch) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Financial instruments

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 entity after deducting all of its financial liabilities.

4. Employees

The company has been incorporated to produce a high-end television series called "Broadchurch - Series 2 and Broadchurch - Series 3". In common with the film and television industry the majority of crew are hired on short term contracts for the duration of principal photography or are self-employed.

None of the Directors received any form of remuneration.

5. Tax on loss

Major components of tax income

	Year to 31 Dec 20 £	Period from 24 Oct 18 to 31 Dec 19 £
Current tax:		
UK current tax income	(125,921)	(221,655)
Tax on loss	<u>(125,921)</u>	<u>(221,655)</u>

Kudos (Broadchurch) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

5. Tax on loss *(continued)*

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	Year to 31 Dec 20 £	Period from 24 Oct 18 to 31 Dec 19 £
Loss on ordinary activities before taxation	(125,921)	(221,655)
High-end television tax relief	(125,921)	(221,655)

6. Debtors

	2020 £	2019 £
Corporation tax recoverable	125,921	221,655
Other debtors	1	1
	<u>125,922</u>	<u>221,656</u>

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Production loan	<u>125,921</u>	<u>221,655</u>

8. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Kudos (Broadchurch) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

9. Contingent liabilities

Banijay Group SAS re-financed the business on 11 February 2020 via notes offered through Banijay Group SAS, Banijay Entertainment SAS and Banijay Group Holding, Inc. This supersedes the previous debt financing held by MediArena Acquisition B.V, and the company is not part of the group guarantee to the bond holders and lenders in the new debt financing.

10. Related party transactions

As a wholly-owned subsidiary of Banijay Group SAS, the Company has taken advantage of the exemption under FRS 102 Paragraph 1AC.35 on the basis the disclosure need not be given regarding related party transactions with other wholly-owned subsidiaries of the group. The Company has also taken advantage of the exemption under the same paragraph on the basis that disclosure need not be given regarding related party transactions that were entered into under normal market conditions.

There were no other related party transactions outside of the group during the year (2019: none).

11. Ultimate parent undertaking and immediate parent undertaking

The smallest group in which the results of the Company are consolidated is that headed by Banijay Group SAS. Financial statements for Banijay Group SAS are publicly available and 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 Stephane Courbit's LOV Group who control Banijay Group.

On 2 July 2020, Banijay Group SAS (through its wholly owned subsidiary, Banijay Entertainment SAS) completed the acquisition of all the shares of AP NMT JV Newco B.V. (the indirect parent of Kudos (Broadchurch) Limited) after having met all regulatory approvals and closing conditions.