

Company Registration No. 12691295 (England and Wales)

Bad Wolf (HDM3) Limited

**Annual report and financial statements
for the year ended 31 March 2023**

Bad Wolf (HDM3) Limited

Company information

Directors	Julie Gardner Natasha Hale Pauline Tranter Mary Furlong	(Appointed 7 September 2022)
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Company number	12691295
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Registered office	Wolf Studios Wales Trident Industrial Park Glass Avenue Cardiff CF24 5EN
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Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
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Bad Wolf (HDM3) Limited

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Bad Wolf (HDM3) Limited

Strategic report

For the year ended 31 March 2023

The directors present the strategic report for the year ended 31 March 2023.

Fair review of the business

During the year, the company was involved in the production of a television series. The company made a profit of £6,250 (2022: £2,250) in the year. The company's net assets as at the balance sheet date is £25,001 (2022: £18,751).

Principal risks and uncertainties

The directors have reviewed the risks and resultant uncertainties facing the business as being the ability to secure future contracts. However, the parent company has provided sufficient assurances that it will continue to support the company and provide the necessary finances for its future operations.

Development and performance

The directors do not anticipate any significant future developments in the company.

Key performance indicators

The directors consider the company's key financial performance indicators to be whether the programme is produced in line with the agreed budget. At the year end, the estimated cost of the programme was in line with the budget plus approved overages.

The directors consider the company's key non-financial performance indicator to be the programme being produced qualifying as British. This is required in order to access the High End Television Tax credit. The programme has received a final British Film Certificate in respect of the series it is producing.

On behalf of the board

.....

Mary Furlong

Director

Date:

Bad Wolf (HDM3) Limited

Directors' report

For the year ended 31 March 2023

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

Principal activities

The principal activity of the company was that of television production.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Julie Gardner

Natasha Hale

Pauline Tranter

Mary Furlong

(Appointed 7 September 2022)

Auditor

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mary Furlong

Director

27 June 2023

Bad Wolf (HDM3) Limited

Directors' responsibilities statement

For the year ended 31 March 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

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

Bad Wolf (HDM3) Limited

Independent auditor's report

To the member of Bad Wolf (HDM3) Limited

Opinion

We have audited the financial statements of Bad Wolf (HDM3) Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit 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.

Bad Wolf (HDM3) Limited

Independent auditor's report (continued)

To the member of Bad Wolf (HDM3) Limited

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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.

Bad Wolf (HDM3) Limited

Independent auditor's report (continued)

To the member of Bad Wolf (HDM3) Limited

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 are detailed below.

Identifying and assessing risks related to irregularities:

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

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

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, 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.

Bad Wolf (HDM3) Limited

Independent auditor's report (continued)

To the member of Bad Wolf (HDM3) Limited

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

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

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Darren Drake

Senior Statutory Auditor

For and on behalf of Saffery Champness LLP

29 June 2023

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Bad Wolf (HDM3) Limited**Statement of comprehensive income
For the year ended 31 March 2023**

		Year ended 31 March 2023 £	Period ended 31 March 2022 £
	Notes		
Turnover	3	12,328,601	4,082,423
Cost of sales		(16,026,912)	(7,094,166)
Gross loss		(3,698,311)	(3,011,743)
Administrative expenses		(26,000)	(24,000)
Other operating income		-	1,705,976
Loss before taxation		(3,724,311)	(1,329,767)
Tax on loss	6	3,730,561	1,332,017
Profit for the financial year		6,250	2,250

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

Bad Wolf (HDM3) Limited

Statement of financial position

As at 31 March 2023

			2023	2022
	Notes	£	£	£
Current assets				
Debtors	7	7,435,588	20,096,894	
Cash at bank and in hand		329,876	1,473,724	
		<u>7,765,464</u>	<u>21,570,618</u>	
Creditors: amounts falling due within one year	8	<u>(7,740,463)</u>	<u>(21,551,867)</u>	
Net current assets			25,001	18,751
			<u><u>25,001</u></u>	<u><u>18,751</u></u>
Capital and reserves				
Called up share capital	11		1	1
Profit and loss reserves			25,000	18,750
			<u>25,001</u>	<u>18,751</u>
Total equity			<u><u>25,001</u></u>	<u><u>18,751</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 June 2023 and are signed on its behalf by:

Mary Furlong
Director

Company Registration No. 12691295 (England and Wales)

Bad Wolf (HDM3) Limited

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

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2022	1	16,500	16,501
Period ended 31 March 2022:			
Profit and total comprehensive income for the period	-	2,250	2,250
	<u>1</u>	<u>18,750</u>	<u>18,751</u>
Balance at 31 March 2022	1	18,750	18,751
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	6,250	6,250
	<u>1</u>	<u>25,000</u>	<u>25,001</u>
Balance at 31 March 2023	<u>1</u>	<u>25,000</u>	<u>25,001</u>

Bad Wolf (HDM3) Limited

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

1 Accounting policies

Company information

Bad Wolf (HDM3) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Wolf Studios Wales Trident Industrial Park, Glass Avenue, Cardiff, CF24 5EN.

1.1 Reporting period

The financial statements are presented for the current year ending 31 March 2023, the prior period was shortened to align with the period end of the group of which the company is a member. The prior reporting period was 1 January 2022 to 31 March 2022. Therefore the periods aren't entirely comparable.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sony Group Corporation. These consolidated financial statements are available from its registered office, see Note 14.

1 Accounting policies (continued)

1.3 Going concern

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

1.4 Turnover

In respect of long-term contracts for ongoing services, turnover represents the value of work done in the period, including estimates for amounts not invoiced. Value of work done in respect of long-term contracts and contracts for ongoing services is determined by reference to the stage of completion.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the period in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are represented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.5 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 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 statement of financial position 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, 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.

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities

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

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.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.9 Hedge accounting

The company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

1 Accounting policies (continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

Current tax

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

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions where practicable, else at the average rate over the period in which the transactions were incurred. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date.

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tax credit estimate

The key accounting estimate within the financial statements for this Company is the valuation of the high-end TV tax credit available. The estimate is based on the assessment of the value of qualifying expenditure as per HMRC legislations and guidance plus assessment of the qualification of the underlying production as eligible for the tax relief.

3 Turnover and other revenue

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Turnover analysed by class of business		
Sale of television rights	12,322,351	4,080,173
Production services	6,250	2,250
	<u>12,328,601</u>	<u>4,082,423</u>
	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Turnover analysed by geographical market		
United Kingdom	<u>12,328,601</u>	<u>4,082,423</u>

Bad Wolf (HDM3) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

3 Turnover and other revenue (continued)

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Other significant revenue		
Grants received	-	1,000,000
Insurance claims	-	705,976
	=====	=====

4 Operating loss

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	-	(1,000,000)
Fees payable to the company's auditor for the audit of the company's financial statements	22,000	20,000
Fees payable to the company's auditor for non audit services	4,000	4,000
	=====	=====

Bad Wolf (HDM3) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	Year ended 31 March 2023 Number	Period ended 31 March 2022 Number
Employees	13	46

Their aggregate remuneration comprised:

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Wages and salaries	510,484	628,029
Social security costs	98,666	75,840
Pension costs	11,093	8,320
	<u>620,243</u>	<u>712,189</u>

Bad Wolf (HDM3) Limited**Notes to the financial statements (continued)****For the year ended 31 March 2023****6 Taxation**

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Current tax		
UK corporation tax on profits for the current year	(3,730,561)	(1,332,017)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Loss before taxation	(3,724,311)	(1,329,767)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(707,619)	(252,656)
Enhanced losses arising from the high end television tax credit	(2,786,940)	(1,070,063)
Difference between the rate of corporation tax and the rate of relief under the film tax credit	(895,334)	(319,683)
Losses carried forward	659,332	310,385
Taxation credit for the year	(3,730,561)	(1,332,017)

7 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Corporation tax recoverable	3,730,561	12,379,417
Amounts owed by fellow group undertakings	3,590,676	-
Other debtors	114,351	1,353,141
Prepayments and accrued income	-	6,364,336
	7,435,588	20,096,894

Bad Wolf (HDM3) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

8 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	9	3,564,345	15,625,666
Amounts owed to group undertaking		3,942,596	4,303,911
Accruals and deferred income		233,522	1,622,290
		<u>7,740,463</u>	<u>21,551,867</u>

9 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>3,564,345</u>	<u>15,625,666</u>
Payable within one year	<u>3,564,345</u>	<u>15,625,666</u>

10 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	<u>11,093</u>	<u>8,320</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

11 Share capital

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

12 Charges

The British Broadcasting Corporation hold a fixed charge, floating charge and negative pledge over all right, title and interest in the series owned by the company in respect of the obligation the company has for producing the series.

MUFG Union Bank, N.A. hold a fixed charge, floating charge and negative pledge over all right, title and interest in the series owned by the company in respect of amounts owed to them.

Home Box Office, Inc. hold a fixed charge, floating charge and negative pledge over all right, title and interest in the series owned by the company in respect of the obligation the company has for producing the series.

13 Related party transactions

The company has taken advantage of the exemption under paragraph 33.1a of FRS 102 from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

14 Ultimate controlling party

The company's immediate parent company is Bad Wolf Ltd, a company registered in England and Wales.

The company's ultimate parent company is Sony Group Corporation, a company registered in Japan.

The directors consider there to be no one ultimate controlling party.

The largest group in which the results of the company are consolidated is that headed by Sony Group Corporation. The financial statements for Sony Group Corporation are publicly available and can be obtained from Baker & McKenzie, 100 New Bridge Street, London EC4V 6JA.

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