

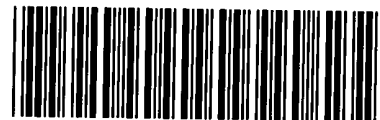
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**BG STUDIOS LIMITED**

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**UNAUDITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

SATURDAY



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A09 04/11/2017 #280  
COMPANIES HOUSE

**BG STUDIOS LIMITED**  
**REGISTERED NUMBER: 04825535**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

|  | Note | 2017<br>£        | 2016<br>£        |
|--|------|------------------|------------------|
| <b>Fixed assets</b>                            |      |                  |                  |
| Tangible assets                                | 3    | -                | 5,670            |
| Investments                                    | 4    | 68,000           | 68,000           |
|  |      | <u>68,000</u>    | <u>73,670</u>    |
| <b>Current assets</b>                          |      |                  |                  |
| Debtors: amounts falling due within one year   | 5    | 369,654          | 181,137          |
| Cash at bank and in hand                       | 6    | 260,244          | 245,208          |
|  |      | <u>629,898</u>   | <u>426,345</u>   |
| Creditors: amounts falling due within one year | 7    | (1,242,905)      | (752,392)        |
| <b>Net current liabilities</b>                 |      | <u>(613,007)</u> | <u>(326,047)</u> |
| <b>Net liabilities</b>                         |      | <u>(545,007)</u> | <u>(252,377)</u> |
| <b>Capital and reserves</b>                    |      |                  |                  |
| Called up share capital                        |      | 1                | 1                |
| Profit and loss account                        |      | (545,008)        | (252,378)        |
|  |      | <u>(545,007)</u> | <u>(252,377)</u> |

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 November 2017.

**M Knopfler**  
Director

The notes on pages 2 to 6 form part of these financial statements.

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## BG STUDIOS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 1.2 Going concern

The company meets its day to day working capital requirements through the support of the parent undertaking. It is the intention of the parent undertaking to continue its financial support of the company. In view of this, the director considers it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of financial support from the parent undertaking.

##### 1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 1.4 Tangible fixed assets

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

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## BG STUDIOS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 1. Accounting policies (continued)

##### 1.4 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

|                     |                      |
|---------------------|----------------------|
| Plant and machinery | - 25 % Straight line |
|---------------------|----------------------|

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### 1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.6 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.

##### 1.7 Cash and cash equivalents

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

##### 1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

##### 1.9 Creditors

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

##### 1.10 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

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**BG STUDIOS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2. Employees**

The average monthly number of employees, including directors, during the year was 2 (2016 - 2).

**3. Tangible fixed assets**

|                                     | <b>Plant and<br/>machinery<br/>£</b> |
|-------------------------------------|--------------------------------------|
| <b>Cost or valuation</b>            |                                      |
| At 1 April 2016                     | <b>22,680</b>                        |
| At 31 March 2017                    | <b>22,680</b>                        |
| <b>Depreciation</b>                 |                                      |
| At 1 April 2016                     | <b>17,010</b>                        |
| Charge for the year on owned assets | <b>5,670</b>                         |
| At 31 March 2017                    | <b>22,680</b>                        |
| <b>Net book value</b>               |                                      |
| At 31 March 2017                    | <b>-</b>                             |
| At 31 March 2016                    | <b>5,670</b>                         |

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**BG STUDIOS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**4. Fixed asset investments**

|                          | <b>Art work<br/>£</b> |
|--------------------------|-----------------------|
| <b>Cost or valuation</b> |                       |
| At 1 April 2016          | <b>68,000</b>         |
| At 31 March 2017         | <b>68,000</b>         |
| <b>Net book value</b>    |                       |
| At 31 March 2017         | <b>68,000</b>         |
| At 31 March 2016         | <b>68,000</b>         |

In the opinion of the director, the market value of the art work exceeds its carrying value at 31 March 2017.

**5. Debtors**

|                                | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| Trade debtors                  | <b>289,968</b>    | 151,626           |
| Other debtors                  | -                 | 5,545             |
| Prepayments and accrued income | <b>79,686</b>     | 23,966            |
|                                | <b>369,654</b>    | 181,137           |

**6. Cash and cash equivalents**

|                          | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|--------------------------|-------------------|-------------------|
| Cash at bank and in hand | <b>260,244</b>    | 245,208           |

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**BG STUDIOS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**7. Creditors: Amounts falling due within one year**

|                                    | 2017<br>£        | 2016<br>£      |
|------------------------------------|------------------|----------------|
| Amounts owed to group undertakings | 1,192,426        | 697,034        |
| Other taxation and social security | 2,221            | -              |
| Other creditors                    | 685              | 3,448          |
| Accruals and deferred income       | 47,573           | 51,910         |
|                                    | <u>1,242,905</u> | <u>752,392</u> |

**8. Financial instruments**

|  | 2017<br>£      | 2016<br>£      |
|--|----------------|----------------|
| <b>Financial assets</b>  |                |                |
| Financial assets measured at fair value through profit or loss | <u>260,244</u> | <u>245,208</u> |

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

**9. Controlling party**

The ultimate parent company is Straitjacket Songs Limited, a company incorporated in England and Wales and controlled by M Knopfler.

**10. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.