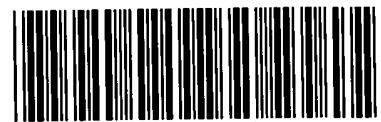


Company Registration No. 09686683 (England and Wales)

**Bad Wolf Limited**

**Annual report and unaudited financial statements  
for the period ended 31 December 2016**

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**Bad Wolf Limited**

**Company information**

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<b>Directors</b>	P J Tranter	(Appointed 15 July 2015)
	J A Gardner	(Appointed 15 July 2015)
<b>Company number</b>	09686683	
<b>Registered office</b>	JCP Solicitors Venture Court Swansea Enterprise Park Swansea SA6 8QP	
<b>Accountants</b>	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	

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# **Bad Wolf Limited**

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**Bad Wolf Limited**

**Directors' report**

**For the period ended 31 December 2016**

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The directors present their annual report and financial statements for the period ended 31 December 2016.

**Principal activities**

The company was incorporated on 15 July 2015 and began trading on the same day.

The principal activity of the company was that of a television and film production company.


**Directors**

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

M J Ketley	(Appointed 15 July 2015 and resigned 23 March 2017)
P J Tranter	(Appointed 15 July 2015)
J A Gardner	(Appointed 15 July 2015)

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

On behalf of the board

.....  
P J Tranter  
Director  
13/4/17.....

**Bad Wolf Limited**

**Income statement**

**For the period ended 31 December 2016**

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		<b>Period ended 31 December 2016 £</b>
	<b>Notes</b>	
<b>Turnover</b>		1,817,591
Cost of sales		(1,297,650)
		<hr/>
<b>Gross profit</b>		519,941
Administrative expenses		(3,705,995)
		<hr/>
<b>Operating loss</b>		(3,186,054)
Finance income		873,575
Finance costs		(487,698)
		<hr/>
<b>Loss before taxation</b>		(2,800,177)
Taxation	<b>4</b>	(113,869)
		<hr/>
<b>Loss for the financial period</b>		(2,914,046)
		<hr/> <hr/>

**Bad Wolf Limited****Statement of financial position  
As at 31 December 2016**

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	Notes	£	2016 £
<b>Fixed assets</b>			
Tangible assets	5		53,540
<b>Current assets</b>			
Debtors	6	732,156	
Cash at bank and in hand		1,802,139	
		<u>2,534,295</u>	
<b>Creditors: amounts falling due within one year</b>	7	(1,506,477)	
		<u></u>	
<b>Net current assets</b>			1,027,818
			<u></u>
<b>Total assets less current liabilities</b>			1,081,358
			<u></u>
<b>Creditors: amounts falling due after more than one year</b>	8		(3,995,401)
			<u></u>
<b>Net liabilities</b>			<u>(2,914,043)</u>
			<u></u>
<b>Capital and reserves</b>			
Called up share capital	10		3
Profit and loss reserves			(2,914,046)
			<u></u>
<b>Total equity</b>			<u>(2,914,043)</u>

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For the financial period ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.


Bad Wolf Limited

*Statement of financial position (continued)*

As at 31 December 2016

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The financial statements were approved by the board of directors and authorised for issue on 13/4/17 and are signed on its behalf by:

  
.....  
P J Tranter  
Director

Company Registration No. 09686683

## **1 Accounting policies**

### **Company information**

Bad Wolf Limited is a private company limited by shares incorporated in England and Wales. The registered office is JCP Solicitors Venture Court, Swansea Enterprise Park, Swansea, SA6 8QP.

### **1.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

### **1.2 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the development of television projects is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

### **1.3 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	60 months straight line
Computers	36 months straight line
Props	36 months straight line



**Notes to the financial statements (continued)**  
**For the period ended 31 December 2016**

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**1 Accounting policies (continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.4 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.5 Cash and cash equivalents**

Cash and cash equivalents 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.

**1 Accounting policies (continued)**

***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.

***Classification of financial liabilities***

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

***Basic financial liabilities***

Basic financial liabilities, including trade and other 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. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. 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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.8 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Notes to the financial statements (continued)**  
**For the period ended 31 December 2016**

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**1 Accounting policies (continued)**

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.9 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.

**1.10 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.11 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. 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. Gains and losses arising on translation are included in the income statement for the period.

**1.12 Exemptions**

Under FRS 102 (section 1A), the company is exempt from the requirement to prepare a cash flow statement as it is a small company.

**Bad Wolf Limited****Notes to the financial statements (continued)**  
**For the period ended 31 December 2016**

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**2 Employees**

The average monthly number of persons (including directors) employed by the company during the period was 10.

**3 Directors' remuneration****2016****£**

Remuneration paid to directors

1,816,257

**4 Taxation****2016****£****Current tax**

Foreign current tax on profits for the current period

113,869

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

**2016****£**

Loss before taxation

(2,800,177)

Expected tax credit based on the standard rate of corporation tax in the UK of 20.00%

(560,035)

Tax effect of expenses that are not deductible in determining taxable profit

10,786

Other permanent differences

(22,673)

Foreign taxation

113,869

Deferred tax not recognised

486,134

Adjust closing deferred tax to average rate of 20%

85,788

Taxation for the period

113,869

**Bad Wolf Limited****Notes to the financial statements (continued)**  
**For the period ended 31 December 2016****5 Tangible fixed assets**

	<b>Fixtures and fittings etc</b>
	<b>£</b>
<b>Cost</b>	
At 15 July 2015	-
Additions	74,119
	<hr/>
At 31 December 2016	74,119
	<hr/>
<b>Depreciation and impairment</b>	
At 15 July 2015	-
Depreciation charged in the period	20,579
	<hr/>
At 31 December 2016	20,579
	<hr/>
<b>Carrying amount</b>	
At 31 December 2016	53,540
	<hr/> <hr/>

**6 Debtors**

	<b>2016</b>
	<b>£</b>
<b>Amounts falling due within one year:</b>	
Trade debtors	334,206
Other debtors	125,392
	<hr/>
	459,598
	<hr/> <hr/>
<b>Amounts falling due after more than one year:</b>	
Corporation tax recoverable	85,697
Other debtors	186,861
	<hr/>
	272,558
	<hr/> <hr/>
<b>Total debtors</b>	732,156
	<hr/> <hr/>

**Bad Wolf Limited****Notes to the financial statements (continued)**  
**For the period ended 31 December 2016****7 Creditors: amounts falling due within one year****2016****£**

Trade creditors	1,477
Corporation tax	85,697
Other taxation and social security	55,538
Other creditors	1,363,765
	<u>1,506,477</u>

**8 Creditors: amounts falling due after more than one year****2016****£**

Other creditors	<u>3,995,401</u>
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**9 Charges**

Included within other creditors due after more than one year, is a loan of £3,995,401 due to The Welsh Ministers. The loan is secured by way of fixed charge over substantially all of the assets of the company.

Included within cash at bank and in hand is a deposit amount of £100,000. This is held as continuing security in favour of Coutts & Company, and can be appropriated by the bank at any time to cover liabilities the company may owe.

**10 Called up share capital****2016****£**

Ordinary share capital	
Issued and fully paid	
3 Ordinary of £1 each	<u>3</u>

**11 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £75,000

Notes to the financial statements (continued)  
For the period ended 31 December 2016

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**12 Related party transactions**

**Directors' remuneration**

During the period the following directors received remuneration from the company:

	2016 £
P J Tranter	855,417
M J Ketley	441,539
J A Gardner	519,301
	<hr/> 1,816,257 <hr/>

Included within directors' remuneration is an amount of £300,000 payable to P J Tranter in relation to relocation expenses to be incurred by the director. At the period end £300,000 was still outstanding.

During the period the company loaned P J Tranter, a director of the company, £270,645 on an unsecured basis. At the period end, after discounting, £186,861 was still owing to the company from the director. Interest on the loan was charged at an annual rate of 0.5%. The loan was discounted at an effective rate of interest of 5% and has been included within debtors due after more than one year.

**13 Control**

During the period the company was under the joint control of the three directors, by virtue of their shareholdings.

After the period end there was no ultimate controlling party.

**14 Events after the reporting date**

After the period end the company issued 1,920 preferred shares to Access Entertainment Holdings LP for a consideration of £5,175,000. This is expected to increase equity from (£2,914,043) to £2,260,957.