

Registered number: 09079068

ADIRONDACK ENTERTAINMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017



ADIRONDACK ENTERTAINMENT LIMITED

COMPANY INFORMATION

Directors	E R Galton C J Percy
Company secretary	S Cruickshank J Wright
Registered number	09079068
Registered office	84 Warwick Road London United Kingdom W5 5PT
Independent auditor	Shipleys LLP Chartered Accountants and Statutory Auditor 10 Orange Street Haymarket London WC2H 7DQ
Bankers	Barclays 1 Churchill Place London E14 5HP

ADIRONDACK ENTERTAINMENT LIMITED

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ADIRONDACK ENTERTAINMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 5 APRIL 2017

The directors present their report and the financial statements of Adirondack Entertainment Limited ("the Company") for the year ended 5 April 2017.

Principal activity

The Company was formed to conduct a film and television development and production business. Based in the UK, it draws from a deep pool of talent to produce and deliver high quality films and/or television projects to a commissioning distributor ("the Commissioning Distributor").

In assessing which programs to produce, the Company endeavours to work with the most successful broadcasters and sales agents, and engage the highest quality production services companies and personnel to carry out its production activities.

Directors

The directors who served during the year were:

E Clark Windo (appointed 11 June 2015, resigned 4 November 2016)
E R Galton (appointed 10 June 2014)
S R Williams (appointed 22 August 2016, resigned 4 November 2016)
C J Percy (appointed 5 December 2016)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Shipleys LLP were appointed in a prior period and in the absence of a notice proposing that the appointment be terminated, Shipleys LLP will be deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. The Company has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a strategic report in accordance with section 414B of the Companies Act 2006.

ADIRONDACK ENTERTAINMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2017**

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



C J Percy
Director

Date: 8/8/2018

84 Warwick Road
London
United Kingdom
W5 5PT

ADIRONDACK ENTERTAINMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 5 APRIL 2017**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

ADIRONDACK ENTERTAINMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADIRONDACK ENTERTAINMENT LIMITED

We have audited the financial statements of Adirondack Entertainment Limited for the year ended 5 April 2017, set out on pages 6 to 16. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 5 April 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

ADIRONDACK ENTERTAINMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADIRONDACK ENTERTAINMENT
LIMITED (CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

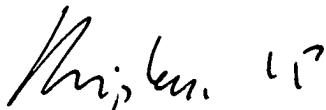
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.




Stephen Joberns (Senior Statutory Auditor)

for and on behalf of
Shipleys LLP

Chartered Accountants and Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

Date:



ADIRONDACK ENTERTAINMENT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2017**

	Note	2017 £	2016 £
Turnover		4,745,491	-
Cost of sales		(4,872,560)	(25,500)
Gross loss		<u>(127,069)</u>	<u>(25,500)</u>
Administrative expenses		(185,477)	(132,794)
Exceptional item	8	(2,298,636)	-
Operating loss		<u>(2,611,182)</u>	<u>(158,294)</u>
Interest receivable and similar income		2,443	15,456
Loss on derivative		(354,038)	-
Loss before tax		<u>(2,962,777)</u>	<u>(142,838)</u>
Tax on loss	6	-	(651)
Loss for the financial year		<u><u>(2,962,777)</u></u>	<u><u>(143,489)</u></u>

The notes on pages 9 to 16 form part of these financial statements.

ADIRONDACK ENTERTAINMENT LIMITED
REGISTERED NUMBER: 09079068

BALANCE SHEET
AS AT 5 APRIL 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	7	1	1
		<u>1</u>	<u>1</u>
Current assets			
Stocks	8	4,679,862	9,359,724
Debtors: amounts falling due within one year	9	8,011,385	120,287
Cash at bank and in hand	10	580,499	3,840,240
		<u>13,271,746</u>	<u>13,320,251</u>
Creditors: amounts falling due within one year	11	(11,572,544)	(8,695,965)
Net current assets		<u>1,699,202</u>	<u>4,624,286</u>
Total assets less current liabilities		<u>1,699,203</u>	<u>4,624,287</u>
Net assets		<u><u>1,699,203</u></u>	<u><u>4,624,287</u></u>
Capital and reserves			
Called up share capital	13	49,416	49,416
Share premium account	14	4,900,602	4,900,602
Profit and loss account	14	(3,250,815)	(325,731)
		<u>1,699,203</u>	<u>4,624,287</u>

The Company's financial statements have been prepared in accordance with the 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 by:



C J Percy
Director

Date: 8/8/2018

The notes on pages 9 to 16 form part of these financial statements.

ADIRONDACK ENTERTAINMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 5 April 2015	49,416	4,900,602	(182,242)	4,767,776
Comprehensive income for the period				
Loss for the year	-	-	(143,489)	(143,489)
At 5 April 2016 (as previously stated)	49,416	4,900,602	(325,731)	4,624,287
Adjustment to opening reserves in current year				
FRS102 currency translation adjustment	-	-	41,323	41,323
FRS102 fair value derivative adjustment	-	-	(3,630)	(3,630)
Adjusted opening reserves at 6 April 2016	49,416	4,900,602	(288,038)	4,661,980
Comprehensive income for the year				
Loss for the year	-	-	(2,962,777)	(2,962,777)
At 5 April 2017	49,416	4,900,602	(3,250,815)	1,699,203

FRS102 currency translation of monetary items

The Company's accounting policy under FRSSE for certain foreign currency monetary items was to use the contract forward and spot exchange rate.

The Company's current accounting policy under FRS102 is to retranslate all foreign currency monetary items using the closing rate.

The difference in the comparative balance relating the above mentioned policies has been recognised as a FRS102 currency translation adjustment to opening equity.

FRS102 fair value derivative adjustment

The Company's accounting policy under FRSSE for forward foreign exchange contracts was not to recognise them.

The Company's current accounting policy under FRS102 is to recognise forward foreign exchange contracts at their fair value.

The difference in the comparative balance relating the above mentioned policies has been recognised as a FRS102 fair value derivative adjustment to opening equity.

ADIRONDACK ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

1. General information

Adirondack Entertainment Limited is a private company, limited by shares, domiciled in England and Wales, registration number 09079068. The registered office is 84 Warwick Road, London United Kingdom W5 5PT.

The principal activity of the Company is to conduct a film and television development and production business.

2. Accounting policies

2.1 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements do not include a cash flow statement because the Company satisfies the criteria of being a qualifying small entity as defined in FRS 102 and as such has taken advantage of the exemption available under section 1A of FRS 102 not to disclose such a statement.

The Company is not required to prepare consolidated accounts due to exemption under Companies Act 2006 section 383 applicable to small groups.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

ADIRONDACK ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

2. Accounting policies (continued)

2.3 Turnover

Turnover is derived from the development and/or production of film and/or television projects, and is stated net of Value Added Tax. Turnover is recognised at the fair value of the right to consideration and is not recognised until there is certainty over the right to consideration. Turnover which has been recognised but not invoiced by the balance sheet date is included in debtors. Amounts invoiced in advance are included in deferred income.

2.4 Interest income

Interest income is recognised in the Profit and Loss Account when it is received.

2.5 Taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

Stock and work in progress other than long term contracts, are stated at the lower of cost and net realisable value. Cost comprises contractual expenditure in respect of the film and/or television projects being developed and/or produced. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

ADIRONDACK ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 Financial instruments

The Company only enters into basic financial instrument 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgments, estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

As at 5 April 2017, no estimates have been made.

4. Employees

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

ADIRONDACK ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

5. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	8,749	15,000
	8,749	15,000

6. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	-	651
	-	651
Total current tax	-	651

As at April 2017 the Company had taxable trading losses of £3,254,683 (2016 - £254,214) available to carry forward against future trading profits.

Factors that may affect future tax charges

A potential deferred tax asset of £618,390 (2016: £48,301) in respect of tax losses carried forward has not been recognised due to uncertainty over the availability of taxable profits in future chargeable accounting periods.

ADIRONDACK ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

7. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 6 April 2016	1
	<hr/>
At 5 April 2017	1
	<hr/>
Net book value	
At 5 April 2017	1
	<hr/> <hr/>
At 5 April 2016	1
	<hr/> <hr/>

Subsidiary undertaking

The investment represents interests in the following companies:

Adirondack (Ladykillers) LLC
Adirondack Splash Productions LLC
Adirondack (Killer Connections) LLC

These companies are incorporated in the United States of America with principal activities of television productions. The Company owns 100% the shares issued in these companies.

ADIRONDACK ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

8. Stocks

	2017 £	2016 £
Work in progress (goods to be sold)	6,978,498	9,359,724
Provision for bad debts	(2,298,636)	-
	<u>4,679,862</u>	<u>9,359,724</u>

The Company commenced a lawsuit against Bellum Entertainment in November 2017, this was due to a misappropriation in production funds from the production account for the television series Ladykillers and as a result production on the series has stopped. This has resulted in a provision being raised in the current year.

9. Debtors

	2017 £	2016 £
Trade debtors	7,450,105	-
Other debtors	541,276	118,753
VAT receivable	20,004	1,534
	<u>8,011,385</u>	<u>120,287</u>

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	580,499	3,840,240
	<u>580,499</u>	<u>3,840,240</u>

ADIRONDACK ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	6,249,222	300,566
Corporation tax	651	651
Provision for contracted costs	2,466,997	5,321,535
Accruals and deferred income	2,498,006	3,073,213
Financial instruments	357,668	-
	<u>11,572,544</u>	<u>8,695,965</u>

12. Financial instruments

	2017 £	2016 £
Financial liabilities		
Financial liability measured at fair value through profit or loss	(357,668)	-
	<u>(357,668)</u>	<u>-</u>

The Company is party to foreign exchange financial instruments in the management of exchange rate exposure. The Instruments purchased are denominated in each customer's principal currency.

At the Balance sheet date, the Company's purchase commitment under outstanding forward foreign exchange contracts totalled US \$5,119,250. These contracts matured during the month of May 2017 and March 2019, using the exchange rates between US \$1.2525 to US \$1.4489.

13. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
4,941,609 (2016 - 4,941,600) Ordinary shares shares of £0.01 each	<u>49,416</u>	<u>49,416</u>

ADIRONDACK ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

14. Reserves

Share premium account

The Share Premium reserve records the amount above the nominal value received for shares issued.

Profit and loss account

The Profit and Loss Account represents the cumulative profits or losses, net of dividends paid and other adjustments.

15. Contingent liabilities

Charges have been made against the production "Splash" in favour of the following parties to secure their interests in the copyright of and title to the film:

Ingenious Project Finance Limited

16. Controlling party

During the year ended 5 April 2017 there was no controlling party.

17. First time adoption FRS102

The Company transitioned to FRS102 from previous UK GAAP as at 6 April 2015.

The impact of the transition to FRS102 is the inclusion of the Statement of Changes in Equity.

The Company took exemption not to restate the comparative informative to comply with the fair value measurement section 35.10(u) of FRS102.