
Once Upon A Time Marketing Limited

Annual Report and Financial Statements

For the Year Ended 30 April 2020

Once Upon A Time Marketing Limited

Company Information

Directors	R D Ward A C Pilgram D E Miller
Registered number	03406501
Registered office	Golden House 30 Great Pulteney Street London W1F 9NN
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
Bankers	Barclays Bank Plc PO Box 299 Birmingham B1 3PF
Solicitors	Osborne Clarke 2 Temple Back East Temple Quay Bristol BS1 6EG

Once Upon A Time Marketing Limited

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Once Upon A Time Marketing Limited

Strategic Report For the Year Ended 30 April 2020

Introduction

The Directors present their Strategic Report and the financial statements for the year ended 30 April 2019.

Business review

Gross Profit & Profit Before Tax

The year to April 2020 saw a good performance, with gross profit of £5,885k (2019: £6,095k) and a profit before tax of £556k (2019: £1,004k). We had more activity on our lower margin work this year due to a strong slate of home entertainment films releases from Disney, whilst there were fewer significant theatrical releases to support in relation to Marvel. The last two months of the year were affected by the COVID-19 pandemic, with a number of film releases delayed to the next financial year. Mitigating this we had further important new business wins, most notably with Pokemon, Disney+ and Entertainment One, and we therefore stand in a good position for when the economy returns to normal.

The COVID-19 pandemic has had a significant impact on the majority of UK businesses. Following the implementation of lockdown restrictions by the UK Government on 23 March 2020, the directors carried out a number of immediate actions including applying for applicable Government support (including utilisation of the Coronavirus Job Retention Scheme for some employees) and making arrangements with HMRC to defer relevant payments.

The Company's employees smoothly adapted to home-working and Once Upon a Time group management has performed risk assessments and implemented new procedures to ensure that the Group's head office is Covid-secure and a safe environment for our employees to work in going forward.

Overheads

Staff costs increased in the year from £3,605k to £3,711k whilst other costs were broadly stable. As our most significant cost, we review the staff needs of the business on a continuous basis. We will continue to invest in growth areas of the business where this is supported by gross profit.

Looking ahead

The first months of the new financial year have been challenging, with further postponements to new film releases. As mentioned above, we have mitigated this by furloughing employees from the relevant departments. We have also implemented salary reductions across the business. The outlook for the business is positive, with a number of new business wins in the pipeline. In the first few months of the year to April '21 we signed a contract with Disney to provide support for its recent Disney+ launch. Subject to further delays, there are two significant theatrical releases we will support this year whilst we also stand to benefit from Warner's agreement with Universal to distribute their products in the UK. In addition we have signed an agreement to support Disney Fox's home entertainment distribution.

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Strategic Report (continued) For the Year Ended 30 April 2020

Principal risks and uncertainties

Funding and liquidity

The objective is to ensure continuity of funding and cash levels sufficient to meet the ongoing needs of the business. The policy is to smooth the cash management of the business and to arrange funding ahead of requirements, should it be needed.

Competitive risk

The company operates in competitive markets. The breadth of the client base reduces the possible effect of the loss of any one single client, and the business continually seeks to bring new customers in to minimise the potential risk of customer concentration.

Competitive advantage

The company focuses on providing clients with a wide range of added value services, thus developing very strong customer relationships. This enables the company to maintain long-term relationships with clients.

Debtors

The company maintains strong relationships with all its key clients, and has established credit control parameters. Appropriate credit terms are agreed with all customers and these are closely managed.

Major disruption/disaster risk

The company has a formal business continuity contingency plan which is reviewed regularly.

Control environment

The company has formal authority limits for all key decisions and clear administration procedures for the timely reporting of critical business information.

Funding risk

The group finances its operations by a combination of equity, invoice discounting, cash flow loans, leases and working capital. The group undertakes short-term cash forecasting to monitor its expected cash flows against its cash availability and finance facilities. The group also undertakes longer term cash forecasting to monitor its expected funding requirements in order to meet its current business plan, in the context of its existing facilities, and to identify and address its requirement for future funding facilities. The group also maintains an active dialogue with a wide range of finance providers in order to ensure that it is aware of all possible sources of finance when it is assessing the availability and cost of providing for the funding requirements in the current business plan.

Employee involvement

The company's policy is to continue to develop its communications with all employees, to inform them on matters of concern to them as employees and to promote awareness of the financial and economic factors affecting the company and, subject to practical and commercial considerations, to consult them in decisions that affect their current jobs or future prospects.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Once Upon A Time Marketing Limited

**Strategic Report (continued)
For the Year Ended 30 April 2020**

Financial Instruments

The company makes little use of financial instruments other than its invoice finance facility so its main exposure to risk relates to the availability of funds to meet its business needs, default by customers and fluctuations in interest rates.

Financial key performance indicators

The following KPIs form part of the overall management administration structure used to monitor business performance:

	2020	2019
	£	£
Operating profit margin (1)	12%	18%
Employment costs to gross profit	63%	59%
Other costs to gross profit	24%	23%
Gross profit per head	£77,436	£85,408
Employment costs per head	£48,827	£50,773
Other operating costs per head	£18,701	£19,641
Operating profit per head	£9,335	£15,051

(1) Operating profit margin represents Operating profit as a proportion of Gross profit.

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

D E Miller
Director

Date: 26 August 2020

The directors present their report and the financial statements for the year ended 30 April 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £524,919 (2019 -£844,744).

The Directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

R D Ward
A C Pilgram
D E Miller

Future developments

The future developments of the company are disclosed in the Strategic Report.

Once Upon A Time Marketing Limited

**Directors' Report (continued)
For the Year Ended 30 April 2020**

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end. The impact of Covid-19, which began during the period, has been explained in the Strategic Report and Going concern accounting policy.

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

D E Miller

Director

Date: 26 August 2020

Once Upon A Time Marketing Limited

Independent Auditors' Report to the Members of Once Upon A Time Marketing Limited

Opinion

We have audited the financial statements of Once Upon A Time Marketing Limited (the 'Company') for the year ended 30 April 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 30 April 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt ^{Page 5} on the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Auditors' 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.

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

Once Upon A Time Marketing Limited

Independent Auditors' Report to the Members of Once Upon A Time Marketing Limited (continued)

We have nothing to report in this regard.

Opinion 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, 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.

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Once Upon A Time Marketing Limited

Independent Auditors' Report to the Members of Once Upon A Time Marketing Limited (continued)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Helen Besant Roberts (Senior Statutory Auditor)
for and on behalf of
Hurst Accountants Limited
Chartered Accountants
Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD
26 August 2020

Once Upon A Time Marketing Limited

**Statement of Comprehensive Income
For the Year Ended 30 April 2020**

	Note	2020 £	<i>2019 £</i>
Turnover	4	11,358,978	<i>10,099,276</i>

Cost of sales		(5,473,822)	<i>(4,004,510)</i>
Gross profit		5,885,156	<i>6,094,766</i>
Administrative expenses		(5,132,114)	<i>(4,988,353)</i>
Exceptional administrative expenses	13	(49,616)	<i>(41,777)</i>
Other operating income	5	6,000	<i>3,960</i>
Operating profit	6	709,426	<i>1,068,596</i>
Interest receivable and similar income	10	132	<i>107</i>
Interest payable and expenses	11	(153,258)	<i>(64,276)</i>
Profit before tax		556,300	<i>1,004,427</i>
Tax on profit	12	(31,381)	<i>(159,683)</i>
Profit for the financial year		<u>524,919</u>	<i><u>844,744</u></i>

There was no other comprehensive income for 2020 (2019:ENIL).

The notes on pages 12 to 29 form part of these financial statements.

Once Upon A Time Marketing Limited
Registered number: 03406501

Balance Sheet
As at 30 April 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	62,846	72,685
Tangible assets	15	216,371	129,691
		279,217	202,376
Current assets			
Stocks	16	123,735	51,567
Debtors: amounts falling due within one year	17	9,892,026	7,939,690
Cash at bank and in hand	18	491,728	229,695
		10,507,489	8,220,952
Creditors: amounts falling due within one year	19	(9,141,466)	(7,318,598)
Net current assets		1,366,023	902,354
Total assets less current liabilities		1,645,240	1,104,730
Creditors: amounts falling due after more than one year	20	(15,591)	-
Net assets		1,629,649	1,104,730
Capital and reserves			
Called up share capital	22	1,575,000	1,575,000
Share premium account	23	12,600,000	12,600,000
Profit and loss account	23	(12,545,351)	(13,070,270)
		1,629,649	1,104,730

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

D E Miller
Director

Date: 26 August 2020

The notes on pages 12 to 29 form part of these financial statements.

Once Upon A Time Marketing Limited

**Statement of Changes in Equity
For the Year Ended 30 April 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2019	1,575,000	12,600,000	(13,070,270)	1,104,730
Comprehensive income for the year				
Profit for the year	-	-	524,919	524,919
Total comprehensive income for the year	-	-	524,919	524,919
At 30 April 2020	<u>1,575,000</u>	<u>12,600,000</u>	<u>(12,545,351)</u>	<u>1,629,649</u>

**Statement of Changes in Equity
For the Year Ended 30 April 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2018	1,575,000	12,600,000	(13,915,014)	259,986
Comprehensive income for the year				
Profit for the year	-	-	844,744	844,744
Total comprehensive income for the year	-	-	844,744	844,744
At 30 April 2019	<u>1,575,000</u>	<u>12,600,000</u>	<u>(13,070,270)</u>	<u>1,104,730</u>

The notes on pages 12 to 29 form part of these financial statements.

1. General information

Once Upon A Time Marketing Limited is a private company limited by share capital, incorporated in England. The address of the registered office and principal place of business is Golden House, 30 Great Pulteney Street, London, W1F 9NN. The company's registered number is 03406501.

The principal activity of the company during the period was that of fully integrated marketing in the Entertainment and Fast Moving Consumer Goods (FMCG) sectors, Shopper Marketing and Sports Management.

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 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 following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Once Upon a Time Global Ltd as at 30 April 2020 and these financial statements may be obtained from Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

Notes to the Financial Statements
For the Year Ended 30 April 2020

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The following paragraphs set out the basis on which the directors have reached their conclusion.

The COVID-19 pandemic has impacted the majority of UK businesses. Following the implementation of lockdown restrictions by the UK Government on 23 March 2020, the directors carried out a number of immediate actions including applying for applicable Government support (including utilisation of the Coronavirus Job Retention Scheme for some employees) and making arrangements with HMRC to defer relevant payments.

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The Company's employees smoothly adapted to home-working and Once Upon a Time group management has performed risk assessments and implemented new procedures to ensure that the Group's head office is Covid-secure and a safe environment for the Company's employees to work in going forward.

Whilst the company has a deficit on the profit and loss account totalling £12.5m at 30 April 2020, the position has improved compared to the previous period end due to continuing positive operating performance. The Board believes that, with continued focus on profitable business, and strong control of costs, the Company will meet its day-to-day working capital requirements from positive operating cash flows. To this end, the profitability of the Company is forecast to increase in the period through to April 2021.

The directors believe it is appropriate, therefore, to prepare the financial statements to 30 April 2020 on a going concern basis and the Company will remain solvent in the twelve months after the date of approval of the financial statements.

2.4 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.6 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.

Once Upon A Time Marketing Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

2. Accounting policies (continued)

2.6 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.

Depreciation is provided on the following basis:

Leasehold improvements	- Over term of lease
Computer equipment	- 3 years straight line
Fixtures and fittings	- 5 - 10 years straight line
Plant and machinery	- 3 - 10 years 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.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 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.

2.10 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.

Once Upon A Time Marketing Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

2. Accounting policies (continued)

2.11 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 accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year) including loans are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.12 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.

2.13 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.

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.

Foreign exchange gains and losses are presented in the Profit and loss account within 'administrative expenses'.

Once Upon A Time Marketing Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

2. Accounting policies (continued)

2.14 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.15 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.18 Interest income

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

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Notes to the Financial Statements
For the Year Ended 30 April 2020

2. Accounting policies (continued)

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

Notes to the Financial Statements
For the Year Ended 30 April 2020

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

Preparation of the financial statements requires management to make significant judgements and estimates that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual outcomes may differ from these judgements, estimates and assumptions. The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the Company at 30 April 2020 are discussed below.

a) Recoverable value of trade debtors

The company has recognised trade debtors with a carrying value of £1,973,118 (2019: £2,511,452). The recoverability of trade debtors is regularly reviewed in the light of the available economic information specific to each debtor and specific provisions are recognised for balances considered to be at risk or irrecoverable.

b) Accrued income and Work in progress

The management of the company exercises judgement in estimating the completeness of projects and the expected recovery of income. It also exercises judgement in determining the valuation of work in progress. The carrying value of accrued income and work in progress at 30 April 2020 was £231,914 (2019: £248,715).

c) Tangible fixed assets

The management of the company also exercises judgement in estimating the useful life of property, plant and equipment. The carrying value of tangible fixed assets at 30 April 2020 was £216,371 (2019: £129,691).

d) Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The carrying value of deferred tax assets relating to tax losses at 30 April 2020 was £2,045,000 (2019: £2,078,000). Further details are given in note 21 to the financial statements.

Once Upon A Time Marketing Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Marketing	10,726,510	9,273,503
Sports management	632,468	825,773
	<u>11,358,978</u>	<u>10,099,276</u>

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Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	10,057,939	9,335,275
Rest of Europe	160,872	214,699
Rest of the world	1,140,167	549,302
	<u>11,358,978</u>	<u>10,099,276</u>

5. Other operating income

	2020 £	2019 £
Net rents receivable	<u>6,000</u>	<u>3,960</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	102,054	69,952
Amortisation of intangibles	14,877	5,565
Exchange differences	12,622	18,049
Operating lease rentals	<u>16,742</u>	<u>16,951</u>

7. **Auditors' remuneration**

	2020	<i>2019</i>
	£	<i>£</i>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>10,200</u>	<u><i>10,200</i></u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. **Employees**

Staff costs, including directors' remuneration, were as follows:

	2020	<i>2019</i>
	£	<i>£</i>
Wages and salaries	3,291,240	<i>3,196,381</i>
Social security costs	355,175	<i>365,289</i>
Cost of defined contribution scheme	64,431	<i>43,181</i>
	<u>3,710,846</u>	<u><i>3,604,851</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020	<i>2019</i>
	No.	<i>No.</i>
Management and administration	18	<i>17</i>
Sales	58	<i>54</i>
	<u>76</u>	<u><i>71</i></u>

9. **Directors' remuneration**

	2020	<i>2019</i>
	£	<i>£</i>
Directors' emoluments	<u>131,027</u>	<u><i>122,400</i></u>

10.	Interest receivable		
		2020	<i>2019</i>
		£	<i>£</i>
	Other interest receivable	<u>132</u>	<u><i>107</i></u>
11.	Interest payable and similar expenses		
		2020	<i>2019</i>
		£	<i>£</i>
	Finance leases and hire purchase contracts	2,299	<i>-</i>
	Other interest payable	<u>150,959</u>	<u><i>64,276</i></u>
		<u>153,258</u>	<u><i>64,276</i></u>
12.	Taxation		
		2020	<i>2019</i>
		£	<i>£</i>
	Corporation tax		
	Current tax on profits for the year	<u>(1,619)</u>	<u><i>(317)</i></u>
	Total current tax	<u>(1,619)</u>	<u><i>(317)</i></u>
	Deferred tax		
	Origination and reversal of timing differences	<u>33,000</u>	<u><i>160,000</i></u>
	Total deferred tax	<u>33,000</u>	<u><i>160,000</i></u>
	Taxation on profit on ordinary activities	<u>31,381</u>	<u><i>159,683</i></u>

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (*2019 -lower than*) the standard rate of corporation tax in the UK of 19% (*2019 - 19%*). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>556,300</u>	<u>1,004,427</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	105,697	190,841
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,256	14,665
Fixed asset differences	22,084	(35,064)
Utilisation of tax losses	(93,276)	(170,442)
Other timing differences leading to an increase (decrease) in taxation	(2,498)	(317)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(50,882)	-
Release of deferred tax asset	33,000	160,000
Total tax charge for the year	<u>31,381</u>	<u>159,683</u>

Factors that may affect future tax charges

The company has losses available to offset against future corporation tax liabilities, subject to HMRC approval, of £11,335,000 (2019: £11,825,000) and a deferred tax asset totalling £2,045,000 (2019: £2,078,000) has been recognised.

13. Exceptional items

	2020 £	2019 £
Restructuring costs	41,897	41,777
Other costs	7,719	-
	<u>49,616</u>	<u>41,777</u>

Restructuring costs comprise business reorganisation and restructuring undertaken by management.

Once Upon A Time Marketing Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

14. Intangible assets

	Trademarks	Computer software	Total
	£	£	£
Cost			
At 1 May 2019	9,787	68,789	78,576
Additions	-	5,038	5,038
At 30 April 2020	<u>9,787</u>	<u>73,827</u>	<u>83,614</u>
Amortisation			
At 1 May 2019	1,305	4,586	5,891
Charge for the year on owned assets	979	13,898	14,877
At 30 April 2020	<u>2,284</u>	<u>18,484</u>	<u>20,768</u>
Net book value			
At 30 April 2020	<u>7,503</u>	<u>55,343</u>	<u>62,846</u>
At 30 April 2019	<u>8,482</u>	<u>64,203</u>	<u>72,685</u>

Amortisation of intangible assets is included in administrative expenses.

Trademarks have a carrying value of £7,503 and a remaining amortisation period of 7 years.

Computer software has a carrying value of £55,343 and is being amortised over 5 years.

No impairment losses on intangible assets have been recognised in the statement of comprehensive income during the period.

Once Upon A Time Marketing Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

15. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Fixtures, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation					
At 1 May 2019	228,790	522,611	87,936	114,418	953,755
Additions	-	159,806	831	28,097	188,734
At 30 April 2020	<u>228,790</u>	<u>682,417</u>	<u>88,767</u>	<u>142,515</u>	<u>1,142,489</u>
Depreciation					
At 1 May 2019	227,518	415,984	66,272	114,290	824,064
Charge for the year	907	91,507	7,101	2,539	102,054
At 30 April 2020	<u>228,425</u>	<u>507,491</u>	<u>73,373</u>	<u>116,829</u>	<u>926,118</u>
Net book value					
At 30 April 2020	<u>365</u>	<u>174,926</u>	<u>15,394</u>	<u>25,686</u>	<u>216,371</u>
<i>At 30 April 2019</i>	<u>1,272</u>	<u>106,627</u>	<u>21,664</u>	<u>128</u>	<u>129,691</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

2020 2019
£ £

Computer equipment	<u>33,183</u>	<u>-</u>
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16. Stocks

	2020	<i>2019</i>
	£	<i>£</i>
Raw materials and consumables	21,396	<i>12,427</i>
Work in progress	102,339	<i>39,140</i>
	<u>123,735</u>	<u><i>51,567</i></u>

The carrying value of stocks are stated net of impairment losses totalling fnil (2019: fnil). Impairment losses totalling fnil (2019: fnil) were recognised in profit and loss.

Once Upon A Time Marketing Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

17. Debtors

	2020	<i>2019</i>
	£	<i>£</i>
Trade debtors	1,973,118	<i>2,511,452</i>
Amounts owed by group undertakings	5,548,941	<i>3,032,221</i>
Other debtors	107,729	<i>38,680</i>
Prepayments and accrued income	217,238	<i>279,337</i>
Deferred taxation	2,045,000	<i>2,078,000</i>
	<u>9,892,026</u>	<i><u>7,939,690</u></i>

Impairment losses totalling £nil (2019: £30,774) were recognised in sales during the year in relation to trade debtors.

18. Cash and cash equivalents

	2020	<i>2019</i>
	£	<i>£</i>
Cash at bank and in hand	<u>491,728</u>	<i><u>229,695</u></i>

19. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£	<i>£</i>
Trade creditors	1,326,107	<i>1,388,954</i>
Amounts owed to group undertakings	6,898,175	<i>3,300,069</i>
Corporation tax	-	<i>7,434</i>
Other taxation and social security	727,552	<i>567,889</i>
Obligations under finance lease and hire purchase contracts	13,953	<i>-</i>
Invoice discounting advances	-	<i>1,667,175</i>
Other creditors	23,478	<i>17,968</i>
Accruals and deferred income	152,201	<i>369,109</i>
	<u>9,141,466</u>	<i><u>7,318,598</u></i>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Invoice discounting balances were secured against the future and present assets of the company at 30 April 2019 and during the period ended 30 April 2020 until the accounts were settled and closed.

Once Upon A Time Marketing Limited

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

20. Creditors: Amounts falling due after more than one year

	2020	<i>2019</i>
	£	<i>£</i>
Net obligations under finance leases and hire purchase contracts	<u>15,591</u>	<u><i>-</i></u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

21. Deferred taxation

	2020	<i>2019</i>
	£	<i>£</i>
Asset at beginning of year	2,078,000	<i>2,238,000</i>
Utilised in year	(33,000)	<i>(160,000)</i>
Asset at end of year	<u>2,045,000</u>	<u><i>2,078,000</i></u>

The deferred tax asset is made up as follows:

	2020	<i>2019</i>
	£	<i>£</i>
Tax losses carried forward	<u>2,045,000</u>	<u><i>2,078,000</i></u>

The net reversal of the deferred tax asset in the year ending 30 April 2021 is expected to be approximately £237,000 in relation to forecast profit for the year.

22. Share capital

	2020	<i>2019</i>
	£	<i>£</i>
Allotted, called up and fully paid		
1,575,000 (2019 -1,575,000) Ordinary shares of £1.00 each	<u>1,575,000</u>	<u><i>1,575,000</i></u>

23. Reserves

Share premium account

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Profit and loss account - includes all current period retained profits.

24. Contingent liabilities

A charge was registered in December 2019 in favour of Toscafund GP Limited as security for a Facilities Agreement made with the ultimate parent company. The Company is party to a security deed of accession, supplemental to a debenture between the ultimate parent company and Toscafund GP Limited. Under the deed, there is a fixed charge and a floating charge (covering all property of the Company). Page 27

A charge was also registered in December 2019 in favour of Calculus Nominees Limited as security for £2,000,000 guaranteed fixed rate loan notes issued by the ultimate parent company. The Company is party to a deed of accession, supplemental to a debenture between the ultimate parent company and Calculus Nominees Limited. Under the deed, there is a fixed charge and a floating charge (covering all property of the Company).

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £64,431 (2019: £43,181). Contributions totalling £19,105 (2019: £17,968) were payable to the fund at the balance sheet date.

26. Commitments under operating leases

At 30 April 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	<i>2019</i>
	£	<i>£</i>
Not later than 1 year	16,522	<i>11,330</i>
Later than 1 year and not later than 5 years	29,571	<i>14,343</i>
	<u>46,093</u>	<i><u>25,673</u></i>

**Notes to the Financial Statements
For the Year Ended 30 April 2020**

27. Related party transactions

In preparing these financial statements, the directors have taken advantage of the exemptions available under section 33 paragraph 1A of the Financial Reporting Standard 102, and have not disclosed transactions entered into between wholly owned group undertakings. Key management personnel compensation totalled £403,305 (2019: £446,022). Sales were made to a company with a common directorship totalling £13,618 during the year (2019: £nil). An amount totalling £16,342 is owed by the related party, and accounted for within Trade debtors, at the balance sheet date (2019: £nil).

28. Controlling party

Following its purchase of the share capital of Once Upon a Time London Ltd on 20 December 2019, the ultimate parent company is Once Upon a Time Global Ltd (company number 12329089, incorporated in England and Wales). The consolidated financial statements of this group are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy Cardiff, CF4 3UZ. There is no overall ultimate controlling party.