

Registered number 02280184

# Optomen Television Limited

Report and Financial Statements

31 December 2015

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# Optomen Television Limited

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# Optomen Television Limited

## Company information

<b>Directors</b>	A McMullen P Llewellyn S Brown S Geater N Moody S Murphy J Swain V Turton
<b>Registered office</b>	Berkshire House 168-173 High Holborn London WC1V 7AA
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors London

# Optomen Television Limited

## Strategic report for the year ended 31 December 2015

The directors present their Strategic Report for the year ended 31 December 2015.

### Principal activity and review of the business

The principal activity of the company is production and distribution of television programmes. The directors do not anticipate any changes in those activities over the coming year.

The loss for the financial year amounted to £1,113,282 (16 month period ended 31 December 2014: £600,773 profit).

As at 31 December 2015, shareholders' funds total £1,225,461 (31 December 2014: £2,338,743).

### Principal risks and uncertainties

The key business risks and uncertainties affecting the company relate to the general economic environment, competition from other distributors of television programmes and the success of the company's programming available for worldwide distribution. Further discussion of these risks and uncertainties, in the context of the DLG Acquisitions Limited group (the "group") as a whole, is provided in the group's financial statements which do not form part of this report.

### Key performance indicators ("KPIs")

The directors of DLG Acquisitions Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Optomen Television Limited. The development, performance and position of DLG Acquisitions Limited group, which includes the company, are discussed in the group's financial statements which do not form part of this report.

Approved by the Board on 27 April 2016 and signed by order of the Board by:



Angela McMullen  
Director

Berkshire House  
169-173 High Holborn  
London  
WC1V 7AA

# Optomen Television Limited

## Directors' report for the year ended 31 December 2015

The directors present their Directors' Report and the audited financial statements for the year ended 31 December 2015.

### Change in accounting framework and policy

In the year ended 31 December 2015 the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices.

Comparative figures have been restated to reflect the above, specifically relating to the impact in relation to turnover for production income. Production turnover and attributable profit are now recognised once delivery of the production to the broadcaster occurs. See note 2 for further disclosures in relation to this change in accounting framework.

### Future Outlook

The commercial environment in which the company operates remains competitive, but the directors believe that the company's position as one of the leading distributors of television programmes will enable it to maintain its current position in the future.

### Dividends

Aggregate dividends paid for the year totalled £nil (16 months period ended 31 December 2014: £2,650,000).

### Financial Risk Management

Through its trading activities the company is exposed to certain levels of credit, interest rate, currency and liquidity risk. Main credit risk arises from customers not meeting payment terms however this is monitored closely by management. Interest risk arises on cash balances subject to interest based on floating rates. Currency risk arises as certain debtors are denominated in foreign currencies. The company funds its operations from trading activities.

### Directors of the company

The directors who held office during the year were as follows:

A McMullen (appointed 12 Nov 2015)

P Llewellyn

B Adler (resigned 24 Dec 2015)

S Brown

R Brown (resigned 12 Nov 2015)

S Geater (appointed 1 May 2015)

H Manley (resigned 14 Dec 2015)

N Moody

S Murphy

C Stephenson (resigned 31 Dec 2015)

J Swain (appointed 21 May 2015)

V Turton

N Bright (resigned 30 April 2015)

J McGregor (resigned 2 March 2015)

N Wisnevitz (resigned 2 March 2015)

The company maintains liability insurance for its directors and officers.

## Optomen Television Limited

### Directors' report for the year ended 31 December 2015 (continued)

#### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### Reappointment of auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in accordance with s487(2) of the Companies Act.

Approved by the Board on 27 April 2016 and signed by order of the Board by:



Angela McMullen

Director

Berkshire House  
169-173 High Holborn  
London  
WC1V 7AA

## **Optomen Television Limited**

### **Independent auditors' report to the members of Optomen Television Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion, Optomen Television Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

##### **What we have audited**

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, 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.

##### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **Optomen Television Limited**

### **Independent auditors' report to the members of Optomen Television Limited (continued)**

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out 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.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### **What an audit of financial statements involves**

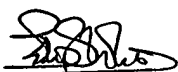
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



Philip Stokes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London

28 April 2016



# Optomen Television Limited

## Profit and loss account for the year ended 31 December 2015

		<b>Year ended 31 December</b>	<b>16 month period ended 31 December 2014</b>
	<b>Note</b>	<b>2015 £</b>	<b>(restated) £</b>
<b>Turnover</b>	3	11,412,062	16,507,178
Cost of sales		(6,912,625)	(8,215,279)
<b>Gross profit</b>		4,499,437	8,291,899
Administrative expenses		(5,284,812)	(7,411,721)
<b>Operating (loss)/profit</b>	4	(785,375)	880,178
Interest receivable and similar income	5	8,177	1
<b>(Loss)/profit on ordinary activities before taxation</b>		(777,198)	880,179
Tax on (loss)/profit on ordinary activities	8	(336,084)	(279,406)
<b>(Loss)/profit for the financial year/period</b>		<u>(1,113,282)</u>	<u>600,773</u>

The above results were derived from continuing operations.

The notes on pages 11 to 24 form an integral part of these financial statements.

# Optomen Television Limited

## Statement of comprehensive income for the year ended 31 December 2015

	Year ended 31 December 2015	16 month period ended 31 December 2014 (restated)
Note	£	£
(Loss)/profit for the financial year/period	(1,113,282)	600,773
Total comprehensive expense/income for the year/period	<u>(1,113,282)</u>	<u>600,773</u>

The notes on pages 11 to 24 form an integral part of these financial statements.

Optomen Television Limited  
(Registration number: 02280184)

Balance sheet as at 31 December 2015

		31 December 2015	31 December 2014 (restated)
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	9	3,175,455	3,320,327
		<u>3,175,455</u>	<u>3,320,327</u>
<b>Current assets</b>			
Stocks	10	1,672,572	1,825,137
Debtors	11	3,577,635	4,340,002
Cash at bank and in hand		684,069	2,920,475
		<u>5,934,276</u>	<u>9,085,614</u>
<b>Creditors: amounts falling due within one year</b>	12	(7,884,270)	(10,067,198)
<b>Net current liabilities</b>		<u>(1,949,994)</u>	<u>(981,584)</u>
<b>Net assets</b>		<u>1,225,461</u>	<u>2,338,743</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,614	1,614
Profit and loss account	14	1,223,847	2,337,129
<b>Total shareholders' funds</b>		<u>1,225,461</u>	<u>2,338,743</u>

The financial statements of Optomen Television Limited (registered number: 02280184) were approved by the board of directors and authorised for issue on 27 April 2016.

They were signed on its behalf by:



Angela McMullen

Director

The notes on pages 11 to 24 form an integral part of these financial statements.

# Optomen Television Limited

## Statement of changes in equity for the year ended 31 December 2015

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
<b>At 1 September 2013</b>	1,614	5,046,651	5,048,265
Effect of restatement due to change in accounting framework (see note 21)	-	(660,295)	(660,295)
<b>As restated</b>	<b>1,614</b>	<b>4,386,356</b>	<b>4,387,970</b>
Profit and total comprehensive income for the financial period (restated)	-	600,773	600,773
Dividends	-	(2,650,000)	(2,650,000)
<b>At 31 December 2014</b>	<b>1,614</b>	<b>2,337,129</b>	<b>2,338,743</b>
Loss and total comprehensive expense for the financial year	-	(1,113,282)	(1,113,282)
Dividends	-	-	-
<b>At 31 December 2015</b>	<b>1,614</b>	<b>1,223,847</b>	<b>1,225,461</b>

The notes on pages 11 to 24 form an integral part of these financial statements.

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015

### 1. General information

Optomen Television Limited is a company incorporated in United Kingdom under the Companies Act.

The address of the registered office is:

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

The nature of the company's operations and principal activities are set out in the Strategic report on page 2.

### 2. Accounting policies

#### 2.1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

The financial statements of Optomen Television Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.2.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year. For more information see note 20.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosure'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirement in respect of:
  - (i) Paragraph 79(a)(iv) of IAS 1;
  - (ii) Paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)

## Optomen Television Limited

### Notes to the financial statements for the year ended 31 December 2015

#### 2. Accounting policies (continued)

##### 2.1 Summary of significant accounting policies (continued)

##### Basis of preparation (continued)

- 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
- 16 (statement of compliance with all IFRS),
- 38A (requirement for minimum of two primary statements, including cash flow statements),
- 38B-D (additional comparative information),
- 40A-D (requirements for a third statement of financial position
- 111 (cash flow statement information), and
- 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Where required equivalent disclosures are given in the group financial statements of DLG Acquisitions Limited. The group financial statements of DLG Acquisitions Limited are available to the public and can be obtained as set out in note 21.

##### Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition the company has received confirmation that DLG Acquisitions Limited intends to support the company for at least one year after these financial statements are signed. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 2. Accounting policies (continued)

#### 2.1 Summary of significant accounting policies (continued)

##### Turnover

For commissioned TV programmes, turnover and attributable profit are recognised on an episodic basis once delivery of the production to the broadcaster occurs.

Both under and overspends are accounted for once known and are recognised in accordance with the episodic delivery pattern.

Provision is made for any loss making contracts as soon as identified (i.e. expected overspend is in excess of originally anticipated margin).

For finished programmes and formats distributed by the company, revenue is recognised once contracted and invoiced provided that the product is available for delivery and the licence period has commenced.

Royalties payable to producers or rights holders are recognised as cost of sales on an accruals basis in accordance with the turnover recognised.

Book advance turnover and attributable profit is recognised when Optomen Television Limited has fulfilled its contractual obligations and is therefore entitled to amounts receivable, rather than in accordance with a schedule of stage payments specified in any contract. If Optomen Television Limited has partially performed its contractual obligations, revenue and attributable profit is recognised to the extent that it has obtained the right to consideration through its performance.

##### Foreign currency translation

###### *(a) Functional and presentation currency*

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

###### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income'.

##### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the financial statements for the year ended 31 December 2015 (continued)

**2. Accounting policies (continued)**

**2.1 Summary of significant accounting policies (continued)**

**Tax (continued)**

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**Dividend distribution**

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

**Tangible assets**

Fixed assets are stated at cost less depreciation.

Cost comprises the purchase price of the asset and directly attributable costs in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Depreciation**

Depreciation is calculated to write off the cost of tangible fixed assets evenly over their estimated useful lives at the following annual rates:

Freehold property	Over 50 years
Leasehold land and buildings	Over the life of the lease
Fixtures and fittings	20%
Computer equipment	33.33%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be in line with the remaining estimated useful life.

**Fixed assets investments**

Investments held as fixed assets are shown at cost less provision for impairment. The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.



Notes to the financial statements for the year ended 31 December 2015 (continued)

**2. Accounting policies (continued)**

**2.1 Summary of significant accounting policies (continued)**

**Stocks**

Stock and work in progress should be valued at the lower of cost and net realisable value. Net realisable value should be based on estimated selling price less any further costs expected to be incurred to completion.

**Leases**

Sale and leaseback transactions relate to master negatives for films as a result of the company entering into sale and leaseback transactions for such films. Part of the cash received is put on deposit, and this cash together with any accrued interest thereon should be sufficient to meet the lease capital and interest payment. Cash received on inception of the transaction over and above that required for future rental payments is recognised as profit immediately. Such transactions are shown as a contingent liability in the notes to the financial statements.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 7 represents contributions payable by the company to the fund.

**2.2 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*(a) Useful economic lives of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. See note 10 for the carrying amount of the tangible fixed assets.

*(b) Impairment of trade and other debtors*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 12 for the net carrying amount of the receivables and associated impairment provision.

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 3. Turnover

An analysis of the company's turnover by geographical market is set out below:

	Year ended 31 December 2015 £	16 month period ended 31 December 2014 (restated) £
UK	7,677,985	8,219,150
Rest of world	3,734,077	8,288,028
	<u>11,412,062</u>	<u>16,507,178</u>

All turnover has derived from the principal activity of the company. Comparative turnover figures have been restated due to a change in accounting policy for turnover for commissioned TV programmes as described in the Directors' Report.

### 4. Operating (loss)/profit

Arrived at after charging

	Year ended 31 December 2015 £	16 month period ended 31 December 2014 £
Auditors' remuneration:		
Audit services	30,602	29,988
Depreciation expense	170,926	387,842
Foreign exchange losses	2,579	466
Restructuring costs	287,501	-
Operating lease expense - land and buildings	231,000	308,000
	<u></u>	<u></u>

### 5. Interest receivable and similar income

	Year ended 31 December 2015 £	16 month period ended 31 December 2014 £
Interest income on bank deposits	8,177	1
	<u></u>	<u></u>

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 6. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>Year ended 31 December 2015 £</b>	<b>16 month period ended 31 December 2014 £</b>
Wages and salaries	2,804,795	4,260,319
Social security costs	307,524	454,330
Other pension costs	64,590	94,473
	<u>3,176,909</u>	<u>4,809,122</u>

The average monthly number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2015 No.</b>	<b>2014 No.</b>
Administration and support	29	33
Research and development	3	7
Sales	7	7
	<u>39</u>	<u>47</u>

### 7. Directors' remuneration

The directors' remuneration for the year was as follows:

	<b>Year ended 31 December 2015 £</b>	<b>16 month period ended 31 December 2014 £</b>
Remuneration	1,019,677	1,535,087
Contributions paid to money purchase pension schemes	27,336	40,970
	<u>1,047,013</u>	<u>1,576,057</u>

During the year retirement benefits were accruing to 8 directors (2014: 7) in respect of money purchase pension schemes.

The total emoluments, including pension contributions of £7,073 (2014: £9,245), of the highest paid director were £222,163 (2014: £290,264). V Turton, N Bright, R Brown, A McMullen, S Brown and S Geater are remunerated by All3Media Limited, and details of their emoluments and pension payments are available in the financial statements of that company.

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 8. Tax on (loss)/profit on ordinary activities

#### (a) Tax expense included in profit or loss

	Year ended 31 December 2015 £	16 month period ended 31 December 2014 (restated) £
<b>Current taxation</b>		
UK corporation tax on profits for the year	334	-
Adjustments in respect of prior periods	(167)	943
Foreign tax	82,951	213,176
<b>Total current income tax</b>	<b>83,118</b>	<b>214,119</b>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	190,098	49,370
Impact of changes in tax rates and laws	9,360	15,917
Adjustment in respect of prior year	53,508	-
<b>Total deferred taxation</b>	<b>252,966</b>	<b>65,287</b>
<b>Total tax on (loss)/profit on ordinary activities</b>	<b>336,084</b>	<b>279,406</b>

#### (b) Factors affecting the tax charge for the current year

The tax on expense for the year is higher (2014: higher) than the standard rate of corporation tax in the UK of 20.25% (2014: 21.88%). The differences are explained below:

	Year ended 31 December 2015 £	16 month period ended 31 December 2014 (restated) £
(Loss)/profit on ordinary activities before taxation	(777,198)	880,179
Corporation tax at standard rate	(157,383)	192,583
Expenses not deductible for tax purposes	29,852	31,461
Irrecoverable withholding taxes	82,951	44,820
Adjustments in respect of prior period	53,341	943
Remeasurement of deferred tax – change in UK tax rate	9,672	9,599
Current year losses for which no deferred tax has been recognised	317,651	-
<b>Total tax charge for the year/period</b>	<b>336,084</b>	<b>279,406</b>

Notes to the financial statements for the year ended 31 December 2015 (continued)

8. Tax on (loss)/profit on ordinary activities (continued)

**(c) Factors affecting the tax charge for the future years**

The Finance Act 2013 was enacted in July 2013 and included legislation to reduce the main rate of corporation tax from 21% to 20% and was effective from 1 April 2015. The current tax rate for the year is therefore 20.25%.

The Finance Act 2015 was enacted in November 2015 and included legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017.

Further reductions to the main rate of corporation tax were included within the Finance Act 2015 which was enacted in November 2015, which further reduced the main rate of corporation tax from 19% to 18% effective from 1 April 2020.

The changes to the main rate of corporation tax disclosed above had been enacted at the balance sheet date, and deferred taxes have been measured using the enacted rates within these financial statements

**(d) Deferred tax**

	31 December 2015 £	31 December 2014 (restated) £
Included in debtors (note 12)	180,028	432,994
Analysed as below:		
Depreciation in advance of capital allowances	177,847	225,119
Short term timing differences upon adoption of FRS101	2,181	207,875
Deferred taxation asset	180,028	432,994

Deferred tax movement during the year:

	At 1 January 2015 (restated) £	Recognised in income £	At 31 December 2015 £
Accelerated tax depreciation	225,119	(47,272)	177,847
Short term timing differences upon adoption of FRS101	207,875	(205,694)	2,181
	432,994	(252,966)	180,028

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 8. Tax on (loss)/profit on ordinary activities (continued)

#### (e) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible unused tax losses for which no deferred tax assets have been recognised are attributed to the following:-

	31 December 2015	31 December 2014 (restated)
	£	£
Tax losses (revenue in nature)	297,380	-

### 9. Tangible fixed assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2015 (restated)	4,021,445	1,451,395	5,472,840
Additions	-	28,882	28,882
Disposals	-	(4,427)	(4,427)
At 31 December 2015	4,021,445	1,475,850	5,497,295
<b>Accumulated depreciation</b>			
At 1 January 2015 (restated)	762,924	1,389,589	2,152,513
Charge for the year	126,194	44,732	170,926
Eliminated on disposal	-	(1,599)	(1,599)
At 31 December 2015	889,118	1,432,722	2,321,840
<b>Net Book Value</b>			
At 31 December 2015	3,132,327	43,128	3,175,455
At 31 December 2014 (restated)	3,258,521	61,806	3,320,327

### 10. Stocks

	31 December 2015	31 December 2014 (restated)
	£	£
Work in progress	1,672,572	1,825,137

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 11. Debtors

	31 December 2015	31 December 2014 (restated)
	£	£
Trade debtors	356,278	333,719
Amounts owed by group undertakings	46,411	-
Prepayments and accrued income	2,851,071	3,372,797
Other debtors	40,561	93,843
Corporation tax	103,286	106,649
Deferred tax (note 9(d))	180,028	432,994
	<u>3,577,635</u>	<u>4,340,002</u>

Amounts owed by subsidiaries and fellow subsidiary group undertakings are interest-free, unsecured and repayable on demand.

### 12. Creditors: amount falling due within one year

	31 December 2015	31 December 2014 (restated)
	£	£
Trade creditors	2,691,312	3,078,934
Accruals and deferred income	2,184,656	4,053,051
Amounts owed to group undertakings	2,260,567	2,288,717
Social security and other taxes	268,264	311,532
Other creditors	479,471	334,964
	<u>7,884,270</u>	<u>10,067,198</u>

Amounts owed to subsidiaries and fellow subsidiary group undertakings are interest-free, unsecured and repayable on demand. Other creditors consist primarily of royalties on distribution sales, payable to producers and rights holders.

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 13. Called up share capital

#### Authorised, allotted, called-up and fully paid shares

	31 December 2015		31 December 2014	
	No.	£	No.	£
Ordinary shares of £1 each	1,614	1,614	1,614	1,614

### 14. Profit and loss account

	£
<b>Balance at 1 September 2013</b>	5,046,651
Effect of change in accounting framework (note 21)	(660,295)
Restated balance at 1 September 2013	4,386,356
Dividends paid	(2,650,000)
Profit for the financial period	600,773
<b>Balance at 31 December 2014</b>	2,337,129
<b>Balance at 1 January 2015</b>	2,337,129
Dividends paid	-
Loss for the financial year	(1,113,282)
<b>Balance at 31 December 2015</b>	1,223,847

### 15. Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution 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 in the year ended amounted to £64,590 (16 month period ended 31 December 2014: £94,473). No contributions were payable to the fund at the balance sheet date.



# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 16. Operating leases

The total future value of minimum lease payments is as follows:

	At 31 December 2015 £	At 31 December 2014 (restated) £
Within one year	231,000	231,000
One to five years	924,000	924,000
Over five years	616,000	847,000

The company leases property under non-cancellable operating leases.

### 17. Contingent liabilities

The company has entered into certain sale and leaseback transactions for television programme rights. Amounts are held in deposit accounts as a result of these transactions and comprise monies to provide for the discharge of future leasing liabilities. The contingent liability would only crystallise upon the failure of the bank holding the deposit. The amounts involved are as follows:

	Year ended 31 December 2015 £	16 month period ended 31 December 2014 £
Amounts held on deposit	-	191,615
Less: loans outstanding	-	(191,615)
	-	-
The maturity of the above amounts is as follows:		
Less than one year	-	191,615
Two to five years	-	-
Over five years	-	-
	-	191,615

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition, the company has issued an unlimited guarantee to the bank to support these bank facilities. Details of these facilities are disclosed in the DLG Acquisitions Limited financial statements which are publicly available

### 18. Related party transactions

As permitted by FRS 101, the company has taken advantage of the exemption available under that standard in relation to "related party transactions" from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company. During the year the company paid rent amounting to £231,000 (16 month period ended 31 December 2014: £308,000) to P M Llewellyn. There were no other related party transactions in the year.

# Optomen Television Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 19. Dividends

	Year ended 31 December 2015 £	16 month period ended 31 December 2014 £
<b>Ordinary</b>		
Dividends paid: £nil (2014: £1,642) per £1 share	-	2,650,000

### 20. Transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The last financial statements under a previous GAAP (UK GAAP) were for the period ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 September 2013.

#### Reconciliation of equity

	At 31 December 2014 £	At 1 September 2013 £
Equity reported under previous UK GAAP	3,171,809	5,048,265
Adjustments to equity on transition to FRS 101	(833,066)	(660,295)
Equity reported under FRS 101	2,338,743	4,387,970

#### Reconciliation of total comprehensive income for the period ended 31 December 2014

	£
<b>Total comprehensive income for the period under previous UK GAAP</b>	773,544
Impact of change in revenue recognition policy	(216,641)
Impact of deferred taxation in respect of short term timing differences	43,870
<b>Total comprehensive income for the period under FRS 101</b>	600,773

### 21. Parent and ultimate parent undertaking

The company's immediate and ultimate parent undertaking is DLG Acquisitions Limited. DLG Acquisitions Limited is the parent undertaking of the smallest and the largest group to consolidate these financial statements at 31 December 2015. Copies of its group financial statements, which include the company, are available from Berkshire House, 168-173 High Holborn, London, WC1V 7AA. The ultimate controlling parties at the balance sheet date are Liberty Global plc and Discovery Communications Inc., which own LGCI HoldCo I B.V. and Discovery Luxembourg Holdings 1 S.a.r.l. respectively, who are equal joint venture owners of DLG Acquisitions.