

Registered number 02280184

Optomen Television Limited

Report and Financial Statements

for the year ended 31 December 2019



Optomen Television Limited

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Optomen Television Limited

Company information

Directors	A McMullen S Brown S Geater V Turton
Registered office	Berkshire House 168-173 High Holborn London WC1V 7AA
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Optomen Television Limited

Strategic report for the year ended 31 December 2019

The directors present their Strategic Report for the year ended 31 December 2019.

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 £65,095 (year ended 31 December 2018: profit £935,268 (restated)).

As at 31 December 2019, shareholders' funds total £2,333,606 (31 December 2018: £2,398,702 (restated)).


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 13th August 2020 and signed on behalf of the Board by:

DocuSigned by:

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Angela McMullen
Director

Berkshire House
169-173 High Holborn
London
WC1V 7AA

Optomen Television Limited

Directors' report for the year ended 31 December 2019

The directors present their Directors' Report and the audited financial statements for the year ended 31 December 2019.

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 (year ended 31 December 2018: £1,000,000).

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 of the company who were in office during the year and up to the date of signing the financial statements were:

A McMullen
S Brown
S Geater
V Turton

The company maintains liability insurance for its directors and officers.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Optomen Television Limited

Directors' report for the year ended 31 December 2019 (continued)

Directors' confirmations

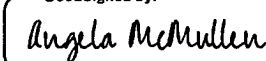
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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.

The financial statements on pages 8 to 25 were approved by the Board of Directors on 13th August 2020 and signed on its behalf by:

DocuSigned by:

D19E9682DA7E484...
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 audit of the financial statements

Opinion

In our opinion, Optomen Television Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the profit and loss account for the year ended 31 December 2019, the statement of comprehensive income for the year ended 31 December 2019, the statement of changes in equity for the year ended 31 December 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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 about 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we

Optomen Television Limited

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

have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or

Optomen Television Limited

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

- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 August 2020

Optomen Television Limited**Profit and loss account for the year ended 31 December 2019**

		Year ended 31 December 2019	(restated) Year ended 31 December 2018
	Note	£	£
Turnover	3	11,609,071	13,189,714
Cost of sales		(6,809,155)	(8,592,750)
Gross profit		4,799,916	4,596,964
Administrative expenses		(4,774,253)	(3,475,130)
Operating profit	4	25,663	1,121,834
Interest payable and similar charges	5	(139,407)	(143,791)
(Loss)/profit on ordinary activities before taxation		(113,744)	978,043
Tax on (loss)/profit on ordinary activities	8	48,649	(42,775)
(Loss)/profit for the financial year		<u>(65,095)</u>	<u>935,268</u>

The above results were derived from continuing operations.

The notes on pages 12 to 57 form an integral part of these financial statements.

Optomen Television Limited**Statement of comprehensive loss for the year ended 31 December 2019**

	Year ended 31 December 2019	(restated) Year ended 31 December 2018
Note	£	£
(Loss)/profit for the financial year	(65,095)	935,268
Total comprehensive (loss)/income for the year	<u>(65,095)</u>	<u>935,268</u>

The notes on pages 12 to 25 form an integral part of these financial statements.

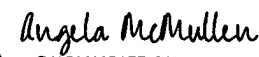
Optomen Television Limited
(Registration number: 02280184)

Balance sheet as at 31 December 2019

	Note	31 December 2019	(restated) 31 December 2018
		£	£
Fixed assets			
Right of use assets	9	688,716	876,547
Tangible assets	10	244,507	948,677
		<u>933,223</u>	<u>1,825,224</u>
Current assets			
Stocks	11	4,538,126	1,296,312
Debtors	12	2,748,202	1,980,928
Cash at bank and in hand		4,028,164	2,983,061
		<u>11,314,492</u>	<u>6,260,301</u>
Creditors: amounts falling due within one year	13	(8,306,670)	(3,866,200)
Lease liabilities (current)	9	(312,813)	(297,918)
		<u>2,695,009</u>	<u>2,096,183</u>
Net current assets			
		<u>3,628,232</u>	<u>3,921,407</u>
Total assets less current liabilities			
Creditors: amounts falling due in more than one year	14	(364,127)	(284,172)
Lease liabilities (non-current)	9	(930,498)	(1,238,533)
		<u>2,333,607</u>	<u>2,398,702</u>
Net assets			
Capital and reserves			
Called up share capital	15	1,614	1,614
Profit and loss account	16	2,331,993	2,397,088
		<u>2,333,607</u>	<u>2,398,702</u>
Total shareholders' funds			
		<u>2,333,607</u>	<u>2,398,702</u>

The financial statements of Optomen Television Limited (registered number: 02280184) were approved by the board of directors and authorised for issue on 13th August 2020.

They were signed on its behalf by:

DocuSigned by:

 Angela McMullen

Director

The notes on pages 12 to 25 form an integral part of these financial statements.

Optomen Television Limited**Statement of changes in equity for the year ended 31 December 2019**

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2018	1,614	3,007,602	3,009,216
Right of Use Asset – Restatement due to IFRS16	-	(657,642)	(657,642)
Deferred Tax – Restatement due to IFRS16	-	111,860	111,860
(restated) Balance at 1 January 2018	1,614	2,461,820	2,463,434
Total comprehensive income for the financial year	-	937,206	937,206
Right of Use Asset – Restatement due to IFRS 16	-	(2,262)	(2,262)
Deferred Tax – Restatement due to IFRS 16	-	324	324
(restated) Total comprehensive income for the financial year	-	935,268	935,268
Dividends Paid	-	(1,000,000)	(1,000,000)
(restated) At 31 December 2018	<u>1,614</u>	<u>2,397,088</u>	<u>2,398,702</u>
Loss and total comprehensive loss for the financial year	-	(65,095)	(65,095)
At 31 December 2019	<u>1,614</u>	<u>2,331,993</u>	<u>2,333,607</u>

The notes on pages 12 to 25 form an integral part of these financial statements.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019

1. General information

Optomen Television Limited is a company incorporated in United Kingdom under the Companies Act 2006.

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 as applicable to companies using FRS 101. 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 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 2019 (continued)

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 19.

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 2019 (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.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (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.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (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

Optomen Television Limited has applied IFRS 16 using the fully retrospective approach and has therefore restated comparative information for FY18 to show balances as if IFRS 16 had been in place throughout 2018, rather than IAS 17, the previous standard.

At inception of a contract, Optomen Television Limited assesses whether a contract is, or contains, a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Optomen Television Limited assesses whether:

The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

Optomen Television Limited has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

Optomen Television Limited has the right to direct the use of the asset. Optomen Television Limited has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

On 1 January 2018, on transition to IFRS 16, Optomen Television Limited recognised an additional £1,064,378 of right of use assets, a £111,860 deferred tax asset and £1,722,020 of lease liabilities, recognising the difference in retained earnings.

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Profit and Loss Account		
Reversal of rental expense	(357,000)	(262,500)
Increase of depreciation expense	(187,831)	(187,831)
Increase in interest	(63,860)	(76,931)
	2019	2018
Balance Sheet	£	£
Right of Use Asset	688,716	876,547
Lease Liabilities (current)	(312,813)	(297,918)
Lease Liabilities (non-current)	(930,498)	(1,238,533)

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 8 represents contributions payable by the company to the fund.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

2. Accounting policies (continued)

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.

3. Turnover

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

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
UK	11,596,599	13,096,648
Rest of world	12,472	93,066
	<u>11,609,071</u>	<u>13,189,714</u>

All turnover has derived from the principal activity of the company.

4. Operating profit

Arrived at after (crediting)/charging:

	Year ended 31 December 2019 £	(restated) Year ended 31 December 2018 £
Auditors' remuneration:		
Audit services	16,522	13,836
Depreciation expense	629,442	212,129
Depreciation expense of right of use assets	187,831	187,831
Foreign exchange (gains)/losses	-	273
	<u></u>	<u></u>

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

5. Interest payable and similar charges

	Year ended 31 December 2019 £	(restated) Year ended 31 December 2018 £
Interest payable	75,547	66,860
Interest payable on IFRS 16 Lease Liabilities	63,860	76,931
	<u>139,407</u>	<u>143,791</u>

6. Staff costs

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

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Wages and salaries	1,789,968	1,927,700
Social security costs	199,821	234,711
Other pension costs	69,142	57,389
	<u>2,058,931</u>	<u>2,219,800</u>

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

	Year ended 31 December 2019 No.	Year ended 31 December 2018 No.
Administration and support	11	12
Research and development	9	7
	<u>20</u>	<u>19</u>

7. Directors' remuneration

None of the directors received remuneration for services to the company.

V Turton, 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 2019 (continued)

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

(a) Tax expense included in profit or loss

	Year ended 31 December 2019 £	(restated) Year ended 31 December 2018 £
Current taxation		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Total current income tax	<u>-</u>	<u>-</u>
Deferred taxation		
Origination and reversal of temporary differences	(95,338)	(84,695)
Impact of changes in tax rates and laws	-	20,452
Prior year adjustments	46,689	107,018
	<u>(48,649)</u>	<u>42,775</u>
Total deferred taxation	<u>(48,649)</u>	<u>42,775</u>
Total tax on (loss)/profit on ordinary activities	<u><u>(48,649)</u></u>	<u><u>42,755</u></u>

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

The charge for the year can be reconciled to the profit in the profit and loss account as:

	Year ended 31 December 2019 £	(restated) Year ended 31 December 2018 £
(Loss)/profit on ordinary activities before taxation	<u>(113,744)</u>	<u>978,043</u>
Corporation tax at the UK corporation tax rate of 19% (2018: 19%)	(21,611)	185,828
Effects of:		
Utilisation of Group losses for no payment	(135,611)	(281,435)
Expenses not deductible for tax purposes	50,667	1,142
Adjustments in respect of prior period	46,689	107,018
Remeasurement of deferred tax – change in UK tax rate	11,217	30,222
	<u>(48,649)</u>	<u>42,775</u>
Total tax (credit)/charge for the year	<u><u>(48,649)</u></u>	<u><u>42,775</u></u>

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

The Finance Act 2015 reduced the UK corporation tax from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020). The previously enacted rate of 18% was reduced further to 17% in the Finance Bill 2016 which received Royal Assent on 15 September 2016. A revised Budget Resolution was

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

passed on 17 March 2020 which reverses the two planned reductions, with the existing 19% rate substantively enacted as continuing. The corporation tax rate will therefore remain at 19% for the foreseeable future.

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

(d) Deferred tax

	31 December 2019	(restated) 31 December 2018
	£	£
Included in debtors (note 12)	419,047	370,398
Analysed as below:		
Depreciation in advance of capital allowances	206,425	209,905
IFRS 16 leases	112,184	112,184
Other short term timing differences	100,438	48,309
Short term timing differences upon adoption of FRS101	-	-
Deferred taxation asset	419,047	370,398

Deferred tax movement during the year:

	(restated) At 1 January 2019 £	Recognised in income £	At 31 December 2019 £
Fixed Asset temporary difference	209,905	(3,480)	206,425
Other short term timing differences	48,309	52,129	100,438
IFRS 16 leases	112,184	-	112,184
	370,398	48,649	419,047

(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 2019	31 December 2018
	£	£
Tax losses (revenue in nature)	-	3,793

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

9. Leases

Amounts Recognised in the Balance Sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2019	(restated) 31 December 2018
	£	£
Right Of Use Asset		
Buildings	688,716	876,547
TOTAL	688,716	876,547
Lease Liabilities		
Current	(312,813)	(297,918)
Non-Current	(930,498)	(1,238,533)
TOTAL	(1,243,311)	(1,536,451)

Additions to the right of use assets during the 2019 financial year were £nil.

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amount relating to leases:

	31 December 2019	(restated) 31 December 2018
	£	£
Depreciation charge of right of use assets		
Buildings	187,831	187,831
TOTAL	187,831	187,831
Interest expense (included in note 5)	63,860	76,931

The total cash outflow for leases in 2019 was £357,000.

Leasing activities and how these are accounted for

Optomen Television Limited leases offices. It has been granted for a term of 15 years, expiring in February 2023. 2019. In June 2019 Optomen Television Limited vacated the property and moved into a group real estate building. The lease was reassigned in January 2020.

Contracts may contain both lease and non-lease components. Optomen Television Limited allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by Optomen Television Limited.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

9. Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Optomen Television Limited, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

10. Tangible fixed assets

	Leasehold Improvements £	Furniture, fittings and equipment £	Total £
Cost			
At 1 January 2019	1,501,510	527,629	2,029,139
Additions	-	33,018	33,018
Disposals	-	-	-
At 31 December 2019	1,501,510	560,647	2,062,157
Accumulated depreciation			
At 1 January 2019	881,479	198,983	1,080,462
Charge for the year	620,031	117,157	737,188
At 31 December 2019	1,501,510	316,140	1,817,650
Net Book Value			
At 31 December 2019	-	244,507	244,507
At 31 December 2018	620,031	328,646	948,677

11. Stocks

	31 December 2019 £	31 December 2018 £
Work in progress	4,538,126	1,296,312

12. Debtors

	31 December 2019 £	31 December 2018 £
Trade debtors	128,144	189,028
Amounts owed by group undertakings	1,917,706	1,076,666
Prepayments and accrued income	219,973	312,879
Other debtors	63,332	31,957
Deferred tax (note 8(d))	419,047	370,398
	2,748,202	1,980,928

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

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

13. Creditors: amount falling due within one year

	31 December 2019 £	31 December 2018 £
Trade creditors	2,190,665	678,753
Accruals and deferred income	5,249,027	2,341,772
Amounts owed to group undertakings	88,546	131,057
Social security and other taxes	536,100	674,429
Other creditors	242,332	40,189
	<u>8,306,670</u>	<u>3,866,200</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.

14. Creditors: amount falling due in more than one year

	31 December 2019 £	31 December 2018 £
Other creditors	364,127	284,172
	<u>364,127</u>	<u>284,172</u>

15. Called up share capital

Authorised, allotted, called-up and fully paid shares

	31 December 2019		31 December 2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,614</u>	<u>1,614</u>	<u>1,614</u>	<u>1,614</u>

16. Profit and loss account

	£
(restated) Balance at 1 January 2019	2,397,088
Loss for the financial year	(65,095)
Balance at 31 December 2019	<u>2,331,993</u>

17. 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 £69,142 (year ended 31 December 2018: £57,389). 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 2019 (continued)

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. There were no other related party transactions in the year.

19. 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 2019. 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 owners of DLG Acquisitions Limited.

20. Post Balance Sheet Events

The impact of the COVID-19 pandemic is a non-adjusting post balance sheet event.

On 30 January 2020 the World Health Organisation declared COVID-19 to be a global health emergency. Subsequent to this, governments around the world began taking measures to respond to the outbreak, including the restriction of gatherings, the closure of non-essential services, and limits on travel. As a result, global television production has virtually halted.

As at the time of signing of these accounts, the situation is continuing to evolve rapidly however restrictions remain in place.

During this unprecedented time the directors recognise the versatility, creativity and resilience of the television Industry and the Company will continue to be creative and resourceful as it learns how to adapt to new ways of working