Optomen Television Limited

Registered Company Number: 02280184

Report and financial statements

for the year ended 31 December 2022

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Company Information

Directors	A McMullen V Turton S Geater S Brown
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

Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2022.

Principal activity and review of the business
The principal activity of the company is the production of television programmes. The directors do not anticipate any change in that activity over the coming year.

The profit for the financial year amounted to £1,718,101 (2021: unaudited loss of £13,691). Shareholders' funds totalled £2,787,346 (2021 unaudited: £1,069,245). The movement was driven by the profit as above.

Principal risks and uncertainties
The key business risks and uncertainties affecting the company relate to the general economic environment, competition from other creators of television content 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 11 September 2023 and signed on behalf of the board by:

A McMullen
Director

Berkshire House
168-173 High Holborn
London
WC1V 7AA

Directors' Report

The directors present their Directors' Report and the audited financial statements for the year ended 31 December 2022.

Future outlook
The commercial environment in which the company operates remains competitive, but the directors believe that the company's position as a leading producer of television programmes will enable it to maintain strength into the future.

The impact of the COVID-19 pandemic during 2022 was reduced as lockdowns ended during Q1 and the requirements for isolation were eased. Demand for television content remains strong through the post-pandemic period and the underlying stability of the industry is robust, providing a stable framework for the future outlook of the company.

Dividends
The directors declared dividends of £nil during the year (2021: 500,000) and £nil dividends were paid during the year (2021: £500,000).

Financial risk management
The company funds its operations from trading activities and, through these, it is exposed to certain levels of credit, interest rate, currency and liquidity risk.

Credit risk
The Company's credit risk is primarily attributable to its trade receivables which the Company manages through the assessment of the credit risk of current and potential customers and ongoing review and collection of outstanding receivables. At the balance sheet date, there were no actual or potentially significant concentrations of credit risk that the directors of the Company were aware of.

Interest risk
Interest risk arises on cash balances subject to interest based on floating rates. There was no significant exposure in the year, but the company monitors these rates through monthly review of interest received or paid.

Currency risk
Currency risk arises as certain assets and liabilities are denominated in foreign currencies. There was no significant exposure in the year, but where appropriate the company will open currency specific bank facilities to manage exposure to movements in foreign currency exchange rates.

Liquidity risk
Liquidity risk is monitored on an ongoing basis as part of the company's day to day control activities and through periodic financial reviews and forecast exercises with action taken as considered necessary. Such action may include the acquisition of commercial credit and bank overdraft facilities as well as the retention of cash balances, thereby ensuring appropriate funding facilities are continually available within the Company.

Directors of the company
The directors who held office during the year and up to the date of signing of the financial statements were as follows:

A McMullen
S Brown
S Geater
V Turton

The company maintains liability insurance for its directors and officers. DLG Acquisitions Limited, the company's ultimate parent undertaking, has also provided an indemnity for the company's Directors and officers, which is a third party indemnity provision for the purposes of the Companies Act 2006. The policy was in force during the year and up to the date of approval of the financial statements.

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulation.

Directors' Report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)
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, comprising 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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

Approved by the Board on 11 September 2023 and signed on behalf of the board by:

A McMullen
Director

Berkshire House
168-173 High Holborn
London
WC1V 7AA

Independent Auditor's 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2022; the Profit and Loss Account, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; 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
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 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.

Independent Auditor's Report (continued)

Reporting on other information (continued)

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2022 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 in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Independent Auditor's Report (continued)

Responsibilities for the financial statements and the audit (continued)

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 obtained 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
- 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.

Other matter
The financial statements for the year ended 31 December 2021, forming the corresponding figures of the financial statements for the year ended 31 December 2022, are unaudited.

Edward Gregory (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 September 2023

Profit and Loss Account

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 (Unaudited) £
Revenue		**18,157,443**	11,418,710
Cost of Sales		**(12,463,097)**	(7,534,856)
Gross profit		**5,694,346**	3,883,854
Administrative expenses		**(3,901,437)**	(3,863,625)
Operating profit	4	**1,792,909**	20,229
Interest payable and similar expenses	5	**(21,358)**	(52,069)
Profit/(loss) before tax		**1,771,551**	(31,840)
Tax on profit/(loss)	8	**(53,450)**	18,149
Profit/(loss) for the financial year		**1,718,101**	(13,691)

The above results were derived from continuing operations.

The notes on pages 14 to 21 form an integral part of these financial statements.

Statement of Comprehensive Income

	Year ended 31 December 2022 £	Year ended 31 December 2021 (Unaudited) £
Profit/(loss) for the financial year	**1,718,101**	(13,691)
Total comprehensive income/(expense) for the year	**1,718,101**	(13,691)

The notes on pages 14 to 21 form an integral part of these financial statements.

Balance Sheet

	Note	31 December 2022 £	31 December 2021 Restated (Unaudited) £
Fixed assets			
Tangible assets	9	**47,197**	101,157
Current assets			
Stock	10	**4,153,105**	3,532,981
Debtors	11	**3,791,691**	3,793,197
Cash at bank and in hand		**3,340,344**	495,883
		11,285,140	7,822,061
Creditors: amounts falling due within one year	12	**(8,488,098)**	(6,853,973)
Net current assets		**2,797,042**	968,088
Total assets less current liabilities		**2,844,239**	1,069,245
Creditors: amounts falling due after more than one year	13	**(56,893)**	-
Net assets		**2,787,346**	1,069,245
Capital and reserves			
Called-up share capital	13	**1,614**	1,614
Profit and loss account		**2,785,732**	1,067,631
Total shareholders' funds		**2,787,346**	1,069,245

The restatement of the 2021 balance sheet (stock increase of £328,755, creditors increase of £328,755) is a correction for invoices relating to 2021 but recognised in 2022. This restatement has no impact on the Profit and Loss Account or the Statement of Comprehensive Income.

The financial statements on pages 10 to 21 have been approved and authorised for issue by the board on 11 September 2023 and were signed on its behalf by:

Angela McMullen
Director

The notes on pages 14 to 21 form an integral part of these financial statements.

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
As at 1 January 2021	1,614	1,581,322	1,582,936
Total comprehensive expense for the financial year (unaudited)	-	(13,691)	(13,691)
Dividends (unaudited)	-	(500,000)	(500,000)
As at 31 December 2021 (unaudited)	**1,614**	**1,067,631**	**1,069,245**
Total comprehensive income for the financial year	-	1,718,101	1,718,101
As at 31 December 2022	**1,614**	**2,785,732**	**2,787,346**

The notes on pages 14 to 21 form an integral part of these financial statements.

Notes to the Financial Statements

1. General information

Optomen Television Limited is a private company limited by shares and incorporated in the 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 4.

2. 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 applying 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 3.

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)
    - 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)

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

Basis of preparation (continued)

- 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 18.

Changes in accounting policy and disclosures
No new standards were adopted in the year. There were no material changes to the accounting standards applied in the financial year to 31 December 2022 from those applied in the previous year.

Going concern
The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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).

Revenues on programmes distributed by third parties and other ancillary revenues are recognised once the company has been notified of sums due to it.

Book advance turnover and attributable profit is recognised when the company 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 the company 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.

Turnover relates wholly to the company's principal activity in the United Kingdom.

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.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

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.

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 realised 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 fixed assets and depreciation
Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Historic cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its location and working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives using the straight-line basis at the following annual rates:

Furniture, fixtures, equipment	20%
Leasehold improvements	20%
Computer equipment	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.

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.

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.

Provisions
Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 15 represents contributions payable by the company to the fund.

Notes to the Financial Statements (continued)

3. 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no estimates or critical judgements that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Operating profit

Operating profit has been arrived at after charging:

	Year ended 31 December 2022	Year ended 31 December 2021 (Unaudited)
	£	£
Auditors' remuneration: audit services	35,000	-
Depreciation expense	47,424	69,686

5. Interest payable and similar expenses

	Year ended 31 December 2022	Year ended 31 December 2021 (Unaudited)
	£	£
Discounting charges on long-term incentives plan	21,358	52,069

6. Staff costs

The aggregate payroll costs were as follows:

	Year ended 31 December 2022	Year ended 31 December 2021 (Unaudited)
	£	£
Wages and salaries	2,286,977	2,340,867
Social security costs	251,562	246,589
Other pension costs	86,446	89,506
	2,624,985	2,676,962

The cost of freelance staff hired on a production basis is included within cost of sales. These freelancers are not deemed to be under contracts for services and are therefore not reflected in the above table.

The average number of persons employed by the company during the year, analysed by category, was as follows:

	Year ended 31 December 2022	Year ended 31 December 2021 (Unaudited)
	No.	No.
Administration and support	6	7
Production and development	12	12
	18	19

Notes to the Financial Statements (continued)

7. Directors' remuneration

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

All directors are remunerated by All3Media Limited. Details of the emoluments and pension payments of V Turton, A McMullen, and S Geater are available in the financial statements of that company.

8. Tax on profit / (loss)

(a) Tax on profit/(loss) for the financial year

	Year ended 31 December 2022 £	Year ended 31 December 2021 (Unaudited) £
Current taxation		
UK corporation tax on profits for the year	-	-
Total current taxation	-	-
Deferred taxation		
Origination and reversal of temporary differences	47,491	57,200
Adjustment in respect of prior years	5,959	37,133
Impact of changes in tax rate	-	(112,482)
Total deferred taxation	53,450	(18,149)
Total tax charge/(credit) on profit/(loss)	53,450	(18,149)

(b) Factors affecting the tax charge/(credit) for the financial year

The tax charge for the year is lower (2021 credit: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	Year ended 31 December 2022 £	Year ended 31 December 2021 (Unaudited) £
Profit/(loss) before taxation	1,771,551	(31,840)
Corporation tax at the standard rate at 19% (2021 unaudited: 19%)	336,595	(6,050)
Effect of:		
Utilisation of group losses for no payment	(308,611)	41,409
Deferred tax not recognised	-	1,339
Expenses not deductible for tax purposes	8,110	8,113
Adjustments in respect of prior years	5,959	37,133
Remeasurement of deferred tax - change in UK rate	11,397	(100,093)
Total tax charge/(credit) for the year	53,450	(18,149)

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

The main rate of corporation tax is currently 19% but this will increase to 25% from 1 April 2023. The rate increase has been substantively enacted and therefore the deferred tax balances have been recognised at the rate they are expected to reverse.

Notes to the Financial Statements (continued)

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

(d) Deferred tax

	Note	31 December 2022 £	31 December 2021 (Unaudited) £
Included in debtors	11	358,025	411,475
Analysed as below:			
Fixed asset temporary differences		250,810	280,772
Other short term timing differences		107,215	130,703
Deferred taxation asset		358,025	411,475

Deferred tax movement in the year:

	At 1 January 2022 (Unaudited) £	Recognised in income £	At 31 December 2022 £
Fixed asset temporary differences	280,772	(29,962)	250,810
Other short term timing differences	130,703	(23,488)	107,215
Total	411,475	(53,450)	358,025

Deferred tax assets have been recognised on the basis that there will be sufficient taxable profits available in the future to be recovered against.

9. Tangible fixed assets

	Leasehold Improvements £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost				
As at 1 January 2022 (Unaudited)	1,501,510	323,369	261,321	2,086,200
Additions	-	481	3,675	4,156
Transfers	-	2,888	(2,888)	-
Reclassifications	(7,503)	-	-	(7,503)
Disposals	(1,494,007)	(3,189)	-	(1,497,196)
As at 31 December 2022	-	323,549	262,108	585,657
Accumulated depreciation				
As at 1 January 2022 (Unaudited)	(1,501,510)	(237,268)	(246,265)	(1,985,043)
Charge for the year	7,503	(47,554)	(7,373)	(47,424)
Disposals	1,494,007	-	-	1,494,007
As at 31 December 2022	-	(284,822)	(253,638)	(538,460)
Net book value				
As at 31 December 2022	-	38,727	8,470	47,197
As at 31 December 2021 (Unaudited)	-	86,101	15,056	101,157

Notes to the Financial Statements (continued)

10. Stocks

	31 December 2022 £	31 December 2021 Restated (Unaudited) £
Work in progress	**4,153,105**	3,532,981

The restatement of 2021 is a correction for work in progress invoices relating to 2021 but recognised in 2022.

11. Debtors

	Note	31 December 2022 £	31 December 2021 (Unaudited) £
Trade debtors		**1,617,870**	1,288,997
Amounts owed by group undertakings		**1,497,502**	1,523,893
Prepayments and accrued income		**125,415**	500,399
Deferred taxation	8(d)	**358,025**	411,475
Other debtors		**192,879**	68,433
		3,791,691	3,793,197

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

12. Creditors: amounts falling due within one year

	31 December 2022 £	31 December 2021 Restated (Unaudited) £
Trade creditors	**2,153,599**	1,872,257
Accruals and deferred income	**5,491,536**	3,409,229
Amounts owed to group undertakings	**96,996**	474,395
Social security and other taxes	**96,934**	3,772
Value added tax	**564,705**	698,404
Other creditors	**84,328**	395,916
	8,488,098	6,853,973

The restatement of 2021 (trade creditors increase £384,217, value added tax decrease £55,462) is a correction for invoices relating to 2021 but recognised in 2022.

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

Notes to the Financial Statements (continued)

13. Creditors: amounts falling due after more than one year

	31 December 2022 £	31 December 2021 (Unaudited) £
Other creditors	56,893	-

14. Called up share capital

	31 December 2022		31 December 2021 (Unaudited)	
	No.	£	No.	£
Authorised, allotted, called up and fully paid shares				
Ordinary shares of £1 each	1,614	1,614	1,614	1,614

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 independently administered funds. The pension cost charge represents contributions payable by the company to the funds and in the year ended amounted to £86,446 (2021 unaudited: £89,506). No contributions were payable to the fund at the balance sheet date.

16. Contingent liabilities
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.

17. Related party transactions

As permitted by FRS 101, the company has taken advantage of the exemption available 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.

18. Parent and ultimate 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 2022. 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 Warner Bros. Discovery, Inc., which own LGCI HoldCo I B.V. and Discovery International UK Holdings Limited respectively, which are joint owners of DLG Acquisitions Limited.