

Registered number 02280184

Optomen Television Limited

Report and Financial Statements

for the year ended 31 December 2020

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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 2020

The directors present their Strategic Report for the year ended 31 December 2020.

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 profit for the financial year amounted to £1,126,875 (restated year ended 31 December 2019: loss £1,004,847).

As at 31 December 2020, shareholders' funds total £1,582,936 (restated 31 December 2019: £1,956,061).

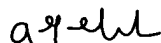
Principal risks and uncertainties

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 8 March 2022 and signed on behalf of the Board by:



Angela McMullen
Director

Berkshire House
168-173 High Holborn
London
WC1V 7AA

Optomen Television Limited

Directors' report for the year ended 31 December 2020

The directors present their Directors' Report and the audited financial statements for the year ended 31 December 2020.

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.

The COVID-19 pandemic and attempts to contain it have created significant volatility, uncertainty and economic disruption to the industry as a whole. During the financial year production was almost entirely halted and workforces have been required to work from home or otherwise change their "normal" working practices.

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 with adapting to new ways of working in order to deliver shows to broadcasters where possible.

Dividends

Aggregate dividends paid for the year totalled £1,500,000 (year ended 31 December 2019: £nil).

Financial Risk Management

The company funds its operations through its trading activities and, where applicable, external loan financing on specific commissions. Through its trading activities the company is exposed to certain levels of credit and liquidity 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.

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 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.

Optomen Television Limited

Directors' report for the year ended 31 December 2020 (continued)

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.

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 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

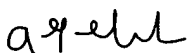
In the case of each director in office at the date the Directors' Report is approved:

- 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.

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 8 March 2022 and signed on behalf of the Board by:



Angela McMullen
Director

Berkshire House
168-173 High Holborn
London
WC1V 7AA

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 2020 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, 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 2020; 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.

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.

Reporting on other information (continued)

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 2020 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 employment laws and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 regulation,
- Evaluating management's controls designed to prevent and detect irregularities,
- 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.

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.

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.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 March 2022

Optomen Television Limited

Profit and loss account for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 (restated) ¹ £
Turnover	3	14,013,044	10,424,917
Cost of sales		(9,363,590)	(6,564,753)
Gross profit		4,649,454	3,860,164
Administrative expenses		(3,564,652)	(4,774,253)
Other operating income		97,802	-
Operating profit/(loss)	4	1,182,604	(914,089)
Interest payable and similar expenses	5	(30,008)	(139,407)
Profit/(loss) before tax		1,152,596	(1,053,496)
Tax on profit/(loss)	8	(25,721)	48,649
Profit/(loss) for the financial year		1,126,875	(1,004,847)

The above results were derived from continuing operations.

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

¹ The restatement is due to an adjustment to the recognition of secondary revenues. See Note 19 for details.

Optomen Television Limited

Statement of comprehensive income for the year ended 31 December 2020

	Year ended 31 December 2020 £	Year ended 31 December 2019 (restated) ² £
Profit/(loss) for the financial year	1,126,875	(1,004,847)
Total comprehensive income/(expense) for the year	<u>1,126,875</u>	<u>(1,004,847)</u>

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

² The restatement is due to an adjustment to the recognition of secondary revenues. See Note 19 for details.

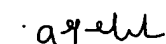
Optomen Television Limited
(Registration number: 2280184)

Balance sheet as at 31 December 2020

	Note	31 December 2020	31 December 2019 (restated) ³
		£	£
Fixed assets			
Right of use assets	9	-	688,716
Tangible assets	10	164,544	244,507
		<u>164,544</u>	<u>933,223</u>
Current assets			
Stocks	11	1,393,621	4,538,126
Debtors	12	4,334,286	2,575,417
Cash at bank and in hand		1,008,509	4,028,164
		<u>6,736,416</u>	<u>11,141,707</u>
Creditors: amounts falling due within one year	13	<u>(5,249,411)</u>	<u>(8,824,244)</u>
Net current assets		<u>1,487,005</u>	<u>2,317,463</u>
Total assets less current liabilities		<u>1,651,549</u>	<u>3,250,686</u>
Creditors: amounts falling due in more than one year	14	<u>(68,613)</u>	<u>(1,294,625)</u>
Net assets		<u>1,582,936</u>	<u>1,956,061</u>
Capital and reserves			
Called up share capital	15	1,614	1,614
Profit and loss account	16	1,581,322	1,954,447
Total shareholders' funds		<u>1,582,936</u>	<u>1,956,061</u>

The financial statements of Optomen Television Limited (registered number: 02280184) on pages 8 to 25 were approved by the board of directors and authorised for issue on 8 March 2022.

They were signed on its behalf by:



Angela McMullen

Director

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

³ The restatement is due to an adjustment to the recognition of secondary revenues. See Note 20 for details.

Optomen Television Limited

Statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	1,614	2,397,088	2,398,702
Restatement (see Note 20)	-	562,206	562,206
At 1 January 2019 (restated)	1,614	2,959,294	2,960,908
Total comprehensive expense (restated)	-	(65,095)	(65,095)
Restatement (see Note 20)	-	(939,752)	(939,752)
At 31 December 2019 (restated)	1,614	1,954,447	1,956,061
Total comprehensive income	-	1,126,875	1,126,875
Dividends paid	-	(1,500,000)	(1,500,000)
At 31 December 2020	1,614	1,581,322	1,582,936

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 2020

1. General information

Optomen Television Limited is a private company limited by shares incorporated in the United Kingdom and registered in England 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 2019 financial statements include a restatement of the opening profit and loss account (increase of £562,206), revenue (decrease of £1,184,154), cost of sales (decrease of £244,402), debtors (decrease of £172,785), and creditors (increase of £204,761) due to a correction to adjust estimated secondary revenues to final statements received for the period, and of the allocation of secondary revenues between Optomen Television Limited and a related company within the All3Media Group. See Note 20 for further details.

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 2020 (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. 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 2020 (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 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 2020 (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.

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 2020 (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 has applied IFRS 16.

At inception of a contract, Optomen Television 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 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 has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Optomen Television has the right to direct the use of the asset. Optomen Television has the rights that are most relevant to changing how and for what purpose the asset is used.

Amounts recognised in the statement of profit and loss and in the balance sheet are disclosed in note 8.

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 16 represents contributions payable by the company to the fund.

Critical accounting estimates:

(a) Impairment of trade and other debtors and intercompany balances

The company makes an estimate of the recoverable value of trade debtors and intercompany balances. 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. The expected credit loss model was applied to trade debtors, contract assets and intercompany balances and the impact was not material. See note 11 for the net carrying amount of receivables and associated impairment provision.

(b) Recoverability of work in progress

The company reviews the recoverability of its work in progress, derived from programmes during production which are included in the Balance Sheet, on a continuous basis. The company believes that the anticipated revenues will enable the carrying amount of work in progress to be recovered in full that future economic benefits will be recognised by the company.

(c) Utilisation of deferred tax assets

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. Recognition of deferred tax assets, therefore, involved judgement regarding the timing and level of future taxable income. The deferred tax balance relates to temporary differences arising on assets qualifying for tax depreciation.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Turnover

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

	Year ended 31 December 2020	Year ended 31 December 2019 (restated)
	£	£
UK	12,468,180	10,412,445
Rest of world	1,544,864	12,472
	<hr/> 14,013,044	<hr/> 10,424,917

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

4. Operating profit

Arrived at after charging:

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Auditors' remuneration:		
Audit services	33,898	16,522
Depreciation expense	97,625	629,442
Depreciation expense of right of use assets	-	187,831
Foreign exchange (gains)/losses	-	-

5. Interest payable and similar expenses

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Interest payable	21,808	75,547
Interest payable on Lease Liabilities	8,200	63,860
	<hr/> 30,008	<hr/> 139,407

Notes to the financial statements for the year ended 31 December 2020 (continued)

6. Staff costs

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

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Wages and salaries	2,322,609	1,955,523
Social security costs	272,372	199,821
Other pension costs	91,691	69,142
	<hr/> 2,686,672	<hr/> 2,224,486

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 2020 No.	Year ended 31 December 2019 No.
Administration and support	9	11
Research and development	17	9
	<hr/> 26	<hr/> 20

7. Directors' remuneration

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

V Turton, A McMullen, S Geater and S Brown 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.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

8. Tax on profit/(loss)

8.1 Tax expense included in profit or loss

	Year ended 31 December 2020 £	Year ended 31 December 2019 (restated) £
Current taxation		
UK corporation tax on profits for the year	-	-
Total current income tax	-	-
Deferred taxation		
Origination and reversal of temporary differences	47,576	(95,338)
Adjustments in respect of prior periods	24,556	46,689
Impact of changes in tax rate	(46,411)	-
Total deferred taxation	25,721	(48,649)
Total tax on (loss)/profit on ordinary activities	25,721	(48,649)

8.2 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 2020 £	Year ended 31 December 2019 (restated) £
Profit/(loss) on ordinary activities before taxation	1,152,596	(1,053,496)
Corporation tax at the UK corporation tax rate of 19% (2019: 19%)	218,993	(200,164)
Effects of:		
Utilisation of Group losses for no payment	(251,441)	-
Expenses not deductible for tax purposes	80,024	50,667
Adjustments in respect of prior period	24,556	46,689
Deferred tax not recognized	-	42,942
Remeasurement of deferred tax – change in UK tax rate	(46,411)	11,217
Total tax charge/(credit) for the year	25,721	(48,649)

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

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

8.3 Factors affecting the tax charge for the future years

The Finance Act 2020 reversed the previously planned rate reductions, with the existing 19% corporation tax rate substantively enacted as continuing. The Budget on 3 March 2021 announced that the rate will remain at 19% until 1 April 2023 when it will increase to 25%

8.4 Deferred tax

	31 December 2020	31 December 2019
	£	£
Included in debtors (note 12)	393,326	419,047

Analysed as below:

Fixed asset temporary differences	241,796	206,425
Leases	72,590	112,184
Other short term timing differences	78,940	100,438
Deferred taxation asset	393,326	419,047

Deferred tax movement during the year:

	At 1 January 2020	Recognised in income	At 31 December 2020
	£	£	£
Fixed asset temporary differences	206,425	35,371	241,796
Leases	112,184	(39,594)	72,590
Other short term timing differences	100,438	(21,498)	78,940
	419,047	(25,721)	393,326

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

9. Leases

Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2020	31 December 2019
	£	£
Right Of Use Asset		
Buildings	-	688,716
TOTAL	-	688,716
Lease Liabilities		
Current	-	(312,813)
Non-Current	-	(930,498)
TOTAL	-	(1,243,311)

Additions to the right of use assets during the 2020 financial year were £nil.

Amounts recognised in the profit and loss account

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

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Depreciation charge of right of use assets		
Buildings	-	187,831
TOTAL	-	187,831
Interest expense (included in note 5)	8,200	63,860

The total cash outflow for leases in 2020 was £54,198.

As at the end of 2019 Optomen Television Limited held the lease for its office which was granted for a term of 15 years, expiring in February 2023. The lease was reassigned in January 2020 and Optomen Television Limited vacated the property and moved into a group-held real estate building.

On reassignment of the lease the right-of-use asset was revalued to £nil, with a debit to the profit and loss of £688,718, and the lease liability was reduced to £nil, with a credit to the profit and loss of £1,197,313. Net overall gain in the profit and loss for 2020 was £508,597.

Optomen Television Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

10. Tangible fixed assets

	Leasehold Improvements £	Furniture, fittings and equipment £	Total £
Cost			
At 1 January 2020	1,501,510	560,647	2,062,157
Additions	-	17,662	17,662
Disposals	-	-	-
At 31 December 2020	1,501,510	578,309	2,079,819
Accumulated depreciation			
At 1 January 2020	1,501,510	316,140	1,817,650
Charge for the year	-	97,625	97,625
At 31 December 2020	1,501,510	413,765	1,915,275
Net Book Value			
At 31 December 2020	-	164,544	164,544
At 31 December 2019	-	244,507	244,507

11. Stocks

	31 December 2020 £	31 December 2019 £
Work in progress	1,393,621	4,538,126

12. Debtors

	31 December 2020 £	31 December 2019 £
Trade debtors	1,255,317	128,144
Amounts owed by group undertakings	2,606,135	1,744,921
Prepayments and accrued income	40,026	219,973
Other debtors	39,482	63,332
Deferred tax (note 8(d))	393,326	419,047
	4,334,286	2,575,417

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 2020 (continued)

13. Creditors: amount falling due within one year

	31 December 2020 £	31 December 2019 £
Trade creditors	1,799,009	2,136,701
Accruals and deferred income	2,262,985	5,249,027
Amounts owed to group undertakings	452,981	347,270
Social security and other taxes	327,183	536,100
Lease liabilities	-	312,813
Other creditors	407,253	242,333
	<u>5,249,411</u>	<u>8,824,244</u>

Amounts owed to 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 2020 £	31 December 2019 £
Other creditors	68,613	364,127
Lease liabilities	-	930,498
	<u>68,613</u>	<u>1,294,625</u>

15. Called up share capital

Authorised, allotted, called-up and fully paid shares

	31 December 2020		31 December 2019	
	No.	£	No.	£
Ordinary shares of £1 each	1,614	1,614	1,614	1,614
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16. Profit and loss account

	£
Balance at 1 January 2020 (restated)	1,954,447
Profit for the financial year	1,126,875
Dividends Paid	<u>(1,500,000)</u>
Balance at 31 December 2020	<u>1,581,322</u>

Optomen Television Limited

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 £91,691 (year ended 31 December 2019: £69,142). No contributions were payable to the fund at the balance sheet date.

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 2020. 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 Inc. (formerly Discovery Communications Inc), which own LGCI HoldCo I B.V. and DNI Holdings (Jersey) Limited respectively, who are equal joint venture owners of DLG Acquisitions Limited.

Post balance sheet, DNI Holdings (Jersey) Limited transferred its shares to Discovery International UK Holdings Limited, a fellow group undertaking of Discovery Inc.

20. Prior year adjustment(s)

The 2019 financial statements include a restatement of the opening profit and loss account (increase of £562,206), revenue (decrease of £1,184,154), cost of sales (decrease of £244,402), debtors (decrease of £172,785), and creditors (increase of £204,761) due to a correction to adjust estimated secondary revenues to final statements received for the period, and of the allocation of revenues between Optomen Television Limited and a related party within the All3Media Group.

	As reported at 31 December 2019 £	Adjustment £	Restated 31 December 2019 £
Balance sheet (extract)			
Debtors	2,748,202	(172,785)	2,575,417
Creditors: amounts falling due within one year	(8,306,670)	(204,761)	(8,511,431)
Net current assets	2,695,009	(377,546)	2,317,463
 Profit and loss account	 2,331,993	 (377,546)	 2,112,552
Total shareholders' funds	2,333,607	(377,546)	1,956,061
 Profit and loss (extract)			
Revenue	11,609,071	(1,184,154)	10,424,917
Cost of sales	(6,809,155)	244,402	(6,564,753)
Net profit	(65,095)	(939,752)	(1,004,847)

Optomen Television Limited

20. Prior year adjustment(s) (continued)

The 2018 financial statements include a restatement of revenue (decrease of £1,184,154), cost of sales (decrease of £244,402), debtors (decrease of £172,785), and creditors (increase of £204,761) due to a correction to adjust estimated secondary revenues to final statements received for the period, and of the allocation of revenues between Optomen Television Limited and a related party within the All3Media Group.

	As reported at 31 December 2018 £	Adjustment £	Restated 31 December 2018 £
Balance sheet (extract)			
Debtors	1,980,928	595,844	2,576,772
Creditors: amounts falling due within one year	(3,866,200)	(33,638)	(3,899,838)
Net current assets	2,096,183	562,206	2,658,389
 Profit and loss account	 2,397,088	 562,206	 2,959,294
Total shareholders' funds	2,398,702	562,206	2,959,294
 Profit and loss (extract)			
Revenue	13,189,714	530,450	13,720,164
Cost of sales	(8,592,750)	31,756	(8,560,994)
Net profit	935,268	562,206	1,497,474