

## **All3Media International Limited**

### **Annual report and financial statements**

31 December 2015

Registered number 03203247



## **Contents**

Company Information	2
Strategic report	3
Directors' report	4
Independent auditors' report	6
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

## **Company Information**

<b>Directors</b>	A McMullen
	S Brown
	S Geater
	V Turton
<b>Registered office</b>	Berkshire House
	168-173 High Holborn
	London
	WC1V 7AA
<b>Auditor</b>	PricewaterhouseCoopers LLP
	Chartered Accountants and Statutory Auditors
	London

## **Strategic report**

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

### **Principal activity and review of the business**

The principal activity of the company is the 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 £5,001,339 (16 months period ended 31 December 2014: £6,124,968). Strong results were driven by investment in new drama and underpinned by successful continuing series.

As at 31 December 2015, shareholders' funds total £28,767,749 (31 December 2014: £26,954,989). The increase year on year is due to a strong profit in the year.

### **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 All3Media International Limited. The development, performance and position of DLG Acquisitions Limited group, which includes the company, are discussed in the group's financial statements which do not form part of this report.

Approved by the board on 27 April 2016 and signed on its behalf by:



A McMullen

Director

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

## **Directors' report**

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

### **Change in accounting framework and policy**

This is the first year in which the financial statements have been prepared under FRS 101, as issued by the Financial Reporting Council. The requirements of IFRS 1.6-33 and related appendices have therefore been applied.

Comparative figures have been restated to reflect the above, specifically relating to the impact in relation to turnover for minimum guarantees. Turnover and attributable profit of minimum guarantees are now recognised once the contract has been agreed, the content has been delivered or is available for immediate delivery and the license period has begun such that the customer can begin its exploitation. In cases where the minimum guarantee is subject to variable future fees, or is refundable, or includes delivery of future content; appropriate treatment is considered on a case by case basis and the turnover may be deferred. See note 2 for further disclosures in relation to this change in accounting framework.

### **Future outlook**

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

### **Dividends**

An interim dividend of £1,000,000 (16 months to 31 December 2014: £1,500,000) per £1 ordinary share amounting to £3,000,000 (16 months to 31 December 2014: £3,000,000) was paid during the year. In addition, a further dividend of £188,579 was paid in the year.

### **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**

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

A McMullen	(appointed 12 Nov 2015)
S Brown	
R Brown	(resigned 12 Nov 2015)
S Geater	(appointed 1 May 2015)
V Turton	
N Bright	(resigned 30 April 2015)

The company maintains liability insurance for its directors and officers.

## **Directors' report** *(continued)*

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

### **Independent Auditors**

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

Approved by the board on 27 April 2016 and signed on its behalf by:



A McMullen  
Director

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

## **Independent auditors' report to the members of All3Media International Limited**

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

#### ***Our opinion***

In our opinion, All3Media International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

The financial statements, included within the Annual Report, comprise:

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

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

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

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

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

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

## Responsibilities for the financial statements and the audit

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

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

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

28 April 2016



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

	Note	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
<b>Turnover</b>	3	<b>53,538,238</b>	<b>57,518,746</b>
Cost of sales		<b>(40,644,139)</b>	<b>(41,915,414)</b>
<b>Gross profit</b>		<b>12,894,099</b>	<b>15,603,332</b>
Distribution costs		<b>(6,607,383)</b>	<b>(7,443,491)</b>
Other operating income		<b>355,751</b>	<b>237,843</b>
<b>Operating profit</b>	4	<b>6,642,467</b>	<b>8,397,684</b>
Other interest receivable and similar income	5	<b>105,398</b>	<b>46,889</b>
Other interest payable and similar charges	6	<b>(208,442)</b>	<b>(77,474)</b>
<b>Profit before tax</b>		<b>6,539,423</b>	<b>8,367,099</b>
Tax on profit on ordinary activities	9	<b>(1,538,084)</b>	<b>(2,242,131)</b>
<b>Profit for the year</b>		<b>5,001,339</b>	<b>6,124,968</b>

The above results were derived from continuing operations.

The notes on pages 12-23 form an integral part of these financial statements.

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

	Note	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
Profit for the year		5,001,339	6,124,968
<b>Total comprehensive income for the year</b>		<b>5,001,339</b>	<b>6,124,968</b>

The notes on pages 12-23 form an integral part of these financial statements.

## Balance sheet as at 31 December 2015

Registered number 03203247

	Note	31 December 2015 £	31 December (restated) 2014 £
<b>Fixed assets</b>			
Tangible assets	10	188,190	53,894
Investments	11	18,019,978	18,019,978
		<hr/>	<hr/>
		18,208,168	18,073,872
<b>Current assets</b>			
Debtors	12	42,669,335	36,759,917
Cash at bank and in hand		5,480,211	3,731,740
		<hr/>	<hr/>
		48,149,546	40,491,657
<b>Creditors: amounts falling due within one year</b>	13	(37,589,965)	(31,610,540)
		<hr/>	<hr/>
<b>Net current assets</b>		10,559,581	8,881,117
		<hr/>	<hr/>
<b>Net assets</b>		28,767,749	26,954,989
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called-up share capital	14	3	3
Share premium		21,788,135	21,788,135
Profit and loss account		6,672,803	4,860,043
Other reserves		306,808	306,808
		<hr/>	<hr/>
<b>Shareholders' funds</b>		28,767,749	26,954,989
		<hr/>	<hr/>

The financial statements of All3Media International Limited (registered number: 03203247) were approved by the board of directors and authorised for issue on 27 April 2016.

They were signed on its behalf by:



A McMullen  
Director

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

The notes on pages 12-23 form an integral part of these financial statements.

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

	Note	Called-up share capital £	Share Premium £	Profit and loss account £	Other reserves £	Total £
As at 1 September 2013		2	-	3,805,735	306,808	4,112,545
Effect of restatement due to change in accounting framework	18	-	-	(2,070,660)	-	(2,070,660)
<b>As restated</b>		<b>2</b>	<b>-</b>	<b>1,735,075</b>	<b>306,808</b>	<b>2,041,885</b>
Issued share capital		1	21,788,135	-	-	21,788,136
Total comprehensive income (restated)		-	-	6,124,968	-	6,124,968
Dividends		-	-	(3,000,000)	-	(3,000,000)
<b>As at 31 December 2014</b>		<b>3</b>	<b>21,788,135</b>	<b>4,860,043</b>	<b>306,808</b>	<b>26,954,989</b>
Total comprehensive income		-	-	5,001,339	-	5,001,339
Dividends		-	-	(3,188,579)	-	(3,188,579)
<b>As at 31 December 2015</b>		<b>3</b>	<b>21,788,135</b>	<b>6,672,803</b>	<b>306,808</b>	<b>28,767,749</b>

The notes on pages 12-23 form an integral part of these financial statements.

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

### **1 General information**

All3Media International Ltd is a company incorporated in United Kingdom under the Companies Act.

The address of the registered office is:

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

The nature of the company's operations and principal activities are set out in the Strategic Report on page 3.

### **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.

##### ***(a) Basis of preparation***

The financial statements of All3Media International Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

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

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared under FRS 101 as issued by the Financial Reporting Council and the requirements of IFRS 1.6-33 and related appendices have been applied. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year. For more information see note 18.

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)

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

### **2 Accounting policies (continued)**

- 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)
- 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 accounts of DLG Acquisitions Limited. The group accounts of DLG Acquisitions Limited are available to the public and can be obtained as set out in note 20.

#### **(b) 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.

#### **(c) Turnover**

Turnover and attributable profits are recognised in accordance with the company's right to receive revenue based on the contracted position. 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 license period has commenced.

#### **(d) Foreign currency translation**

##### ***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.

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

### **2 Accounting policies (continued)**

#### *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 'Cost of sales'.

#### *(e) 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 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.

#### *(f) 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.

#### *(g) 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.

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

### 2 Accounting policies (*continued*)

#### (h) Depreciation

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

Furniture and fittings	20%
Technical equipment	25%
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.

#### (i) Fixed asset 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.

#### (j) 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.

#### (k) Royalties

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

#### (l) Leases

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

#### (m) Pensions

The company contributes to a defined contribution personal pension scheme. The contributions to this scheme are charged to the profit and loss account in the year in which the contributions are payable.

### 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 reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the tangible fixed assets.



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

### 2 Accounting policies *(continued)*

#### *(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

	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
United Kingdom	5,346,311	7,917,082
Rest of the World	48,191,927	49,601,664
<b>Turnover</b>	<b>53,538,238</b>	<b>57,518,746</b>

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

### 4 Operating profit

	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
Auditors' remuneration: Audit services	21,937	18,864
Depreciation expense	46,837	39,782

### 5 Interest receivable and similar income

	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
Interest income on bank deposits	15,152	17,713
Intragroup loan interest received	90,246	29,176
<b>Interest receivable and similar income</b>	<b>105,398</b>	<b>46,889</b>

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

### 6 Interest payable and similar charges

	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
FX on intragroup loan	(208,442)	(77,474)

### 7 Staff costs

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

	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
Wages and salaries	3,445,529	4,200,457
Social security costs	302,961	398,438
Pension costs, defined contribution scheme	119,262	152,503
<b>Total</b>	<b>3,867,752</b>	<b>4,751,398</b>

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

	Year ended 31 December 2015 Number	16 months to 31 December (restated) 2014 Number
By activity:		
Sales and distribution	24	22
Administration	24	23
<b>Total</b>	<b>48</b>	<b>45</b>

### 8 Directors' remuneration

Directors' remuneration in 2015 was £nil (2014: £nil) for services to this company.

The directors are remunerated by All3Media Limited, and details of their emoluments and pension payments are available in the financial statements of that company.

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

### 9 Taxation

#### *(a) Tax on profit on ordinary activities*

The tax expense included in profit is made up as follows:

	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
<b>Current taxation</b>		
UK corporation tax on profits for the year	741,128	852,826
Adjustment in respect of prior periods	(4,109)	107,780
Foreign tax	700,535	924,172
<b>Total current income tax</b>	<b>1,437,554</b>	<b>1,884,778</b>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	102,495	508,184
Impact of changes in tax rates and laws	1,607	27,052
Prior year adjustments	(3,572)	4,394
Adjustment in respect of changes in accounting policy	-	(182,277)
<b>Total deferred taxation</b>	<b>100,530</b>	<b>357,353</b>
<b>Tax on profit on ordinary activities</b>	<b>1,538,084</b>	<b>2,242,131</b>

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

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

	Year ended 31 December 2015 £	16 months to 31 December (restated) 2014 £
<b>Profit on ordinary activities before taxation</b>	<b>6,539,423</b>	<b>8,367,099</b>
Corporation tax at standard rate 20.25% (2014: 21.88%)	1,324,235	1,830,721
Effects of:		
Expenses not deductible for tax purposes	21,907	29,396
Adjustments in respect of prior period	(7,681)	112,174
Overseas tax suffered	199,297	273,653
Re-measurement of deferred tax – change in UK tax rate	326	(3,813)
<b>Total tax charge for the year</b>	<b>1,538,084</b>	<b>2,242,131</b>

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

### 10 Tangible fixed assets

	2015 £
<b>Furniture and fittings, computer and technical equipment</b>	
<b>Cost</b>	
Opening balance as at 1 January 2015	174,461
Additions	181,133
	<hr/>
Closing balance as at 31 December 2015	355,594
	<hr/>
<b>Depreciation</b>	
Opening balance as at 1 January 2015	(120,567)
Charge for the year	(46,837)
	<hr/>
Closing balance as at 31 December 2015	(167,404)
	<hr/>
<b>Net book value</b>	
Closing balance as at 31 December 2015	188,190
	<hr/>
Closing balance as at 31 December 2014	53,894
	<hr/>

### 11 Fixed asset investments

	31 December 2015 £	31 December (restated) 2014 £
<b>Shares in subsidiary companies</b>		
Opening balance	18,019,978	-
Additions	-	18,019,978
	<hr/>	<hr/>
<b>Closing balance</b>	18,019,978	18,019,978
	<hr/>	<hr/>

The company made investments in Tulip Holdings BV and South Pacific Pictures Investments Limited as part of a group restructure.

The details of the principal subsidiary companies in which the company holds 20% or more of the nominal value of any class of share capital are as follows. Shares held by an intermediate holding company are indicated with an asterisk (\*). All investments are unlisted.

Name of company	Country of incorporation	Equity holding	Nature of business
Tulip Holdings BV	Netherlands	100%	Sub-holding company
IDTV Media Group BV	Netherlands	*100%	Television production and distribution
South Pacific Pictures Investments Limited	New Zealand	100%	Television production and distribution
South Pacific Pictures Limited	New Zealand	*100%	Television production and distribution

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

### 12 Debtors

	31 December 2015 £	31 December (restated) 2014 £
Trade debtors	5,456,443	5,775,000
Amounts owed by the parent company	-	1,272
Amounts owed by group undertakings	3,910,935	5,348,729
Other debtors	9,214	13,794
Prepayments and accrued income	18,407,515	10,700,963
Value added tax	540,897	748,310
Deferred tax	110,200	210,730
External distribution advances	7,672,550	8,752,972
Inter-group distribution advances	6,561,581	5,208,147
	<hr/>	<hr/>
<b>Total</b>	<b>42,669,335</b>	<b>36,759,917</b>
	<hr/>	<hr/>

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

### 13 Creditors: amounts falling due within one year

	31 December 2015 £	31 December (restated) 2014 £
Trade creditors	25,711,418	18,508,684
Amounts owed to the parent company	2,098,060	131,687
Amounts owed to group undertakings	5,363,738	5,479,123
UK corporation tax	375,426	218,408
Other taxation and social security creditors	100,234	88,945
Other creditors	12,595	11,720
Accruals and deferred income	3,928,494	7,171,973
	<hr/>	<hr/>
<b>Total</b>	<b>37,589,965</b>	<b>31,610,540</b>
	<hr/>	<hr/>

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

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

### 14 Called up share capital

#### *(a) Authorised*

	31 December 2015		31 December 2014	
	Number	£	Number	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

#### *(b) Allotted, called-up and fully paid shares*

	31 December 2015		31 December 2014	
	Number	£	Number	£
Ordinary shares of £1 each	3	3	3	3

### 15 Pension and other schemes

#### *(a) 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 amounted to £119,262 (16 month period ended 31 December 2014: £152,503). 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 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.

Included within turnover is £1,729,747 of sales made to entities in the Discovery Group (2014: £723,229 after 23 September 2014). Included within cost of sales is £902,993 incurred from John Stanley Productions (2014: £538,051 from Discovery after 23 September 2014). Included within trade debtors is £458,715 owed from Discovery Group companies (2014: £502,054) and £14,223 owed from Liberty Group companies (2014: nil).

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

### 18 Dividends

	31 December 2015 £	31 December (restated) 2014 £
<b>Ordinary</b>		
Interim paid: £1,000,000 (2014: £1,500,000) per £1 share	3,000,000	3,000,000
Additional dividend	188,579	-
	<hr/>	<hr/>
<b>Total</b>	<b>3,188,579</b>	<b>3,000,000</b>
	<hr/>	<hr/>

### 19 Transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The last financial statements under a previous GAAP (UK GAAP) were for the 16 month period ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 September 2013.

#### (a) Reconciliation of equity

	31 December 2014 £	1 September 2013 £
Equity reported under previous UK GAAP	27,684,095	2,041,885
Adjustments to equity on transition to FRS 101	(729,106)	-
	<hr/>	<hr/>
<b>Equity reported under FRS 101</b>	<b>26,954,989</b>	<b>2,041,885</b>
	<hr/>	<hr/>

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

	31 December 2014 £
<b>Total comprehensive income for the period under previous UK GAAP</b>	6,854,074
Impact of change in revenue recognition policy	(911,383)
Impact of deferred taxation in respect of short term timing differences	182,277
	<hr/>
<b>Total comprehensive income for the period under FRS 101</b>	<b>6,124,968</b>
	<hr/>

### 20 Parent and ultimate parent undertaking

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