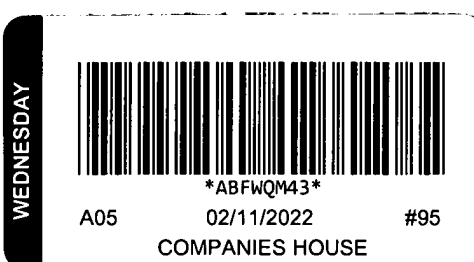


Company Registration No. 03851811 (England and Wales)

BABY COW PRODUCTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022



BABY COW PRODUCTIONS LIMITED

COMPANY INFORMATION

Directors	Stephen Coogan Matthew Garside Jonathan Merrell Sarah Monteith BBC Studios Corporate Services Limited
Company secretary	Jackline Ryland
Company number	03851811
Registered office	1 Television Centre 101 Wood Lane London W12 7FA
Business address	Unit C, 8-14 Vine Hill London EC1R 5DX

BABY COW PRODUCTIONS LIMITED

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**BABY COW PRODUCTIONS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2022**

The Directors present the Strategic Report for Baby Cow Productions Limited (the 'Company') and its subsidiary undertakings (together, the 'Group') for the year ended 31st March 2022.

Fair review of business

Whilst the prior year was inevitably affected by the disruption caused by COVID-19, the year under review has seen a strong increase in performance, particularly in our production activities, where we saw Group revenues increase from £1,163,479 in 2021 to £8,998,624 in the year under review. Total revenues increased from £2,221,514 in 2021 to £10,156,508 in 2022. The Group also reported a Group profit after tax of £276,585 compared to a Group loss after tax of £1,159,620 in 2021. The Directors appreciate the support provided by all stakeholders, both internal and external to the Group, throughout the year.

Future developments

Looking forward, the Directors intend to seek new commissions from broadcasters whilst also maximising returns from the Group's back catalogue of productions.

Principal risks and uncertainties

The management of the business and the execution of the Company's and the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company and the Group are as follows:

Level of new production commissions

The success of the Company and the Group very much depends on new productions being commissioned by broadcasters. The demand for programme content from broadcasters remains high, however, there is no guarantee that new commissions will be secured.

COVID-19

As noted above, the Group's operations were disrupted in the prior year due to the effect of COVID-19. Whilst the virus appears to now be under control and production activities have resumed during the year, the Directors continue to monitor developments. Should the Directors anticipate further disruption, appropriate action will be taken to minimise the impact on the Group.

Key performance indicators

The Directors have monitored the performance of the Company and the Group with particular reference to the following key performance indicators:

1. Result per subsidiary company, with individual subsidiaries typically being used for each production commissioned.
2. Group result against budget.
3. Available working capital and actual cash flows against budget.

BABY COW PRODUCTIONS LIMITED
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

Financial risk management objectives and policies

The Company and the Group use various financial instruments which include cash balances and other items, such as receivables and payables, which arise directly from its operations.

The main risks arising from the Company's and the Group's financial instruments are credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks, which are summarised below.

Credit risk

The Company's and the Group's principal financial assets are cash and trade and other receivables.


The credit risk associated with cash balances is limited as the Company and the Group use banks with high credit ratings assigned by international credit rating agencies.

With respect to trade receivables, our customers are typically large broadcasters and there is little credit risk. The Company and the Group have not experienced any significant trade receivable write-offs to date.

Liquidity risk

The Company and the Group seek to manage liquidity risk by ensuring sufficient financial resources are available within the Company and the Group to enable them to meet their working capital requirements as they fall due. Cashflow is monitored on an ongoing basis and the Company and the Group have been able to meet their working capital requirements throughout the course of the financial year.

By Order of the Board

DocuSigned by:

D328DBC3FECB4F7...

.....
Jackline Ryland

Company Secretary

Date:.....
17 October 2022

**BABY COW PRODUCTIONS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH 2022**

The Directors present their report and audited financial statements for the Company and the Group for the year ended 31st March 2022.

Principal activities

The principal activity of the Company and the Group continued to be the production of television programmes.

Results and dividends

The Group's results for the year are set out on page 10.

The Group's profit for the year after taxation amounted to £276,585 (2021: Loss of £1,159,620).

Ordinary dividends amounting to £Nil (2021: £Nil) were payable during the year. The Directors do not recommend payment of a final dividend.

Directors

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

Stephen Coogan
Matthew Garside
Jonathan Merrell
Sarah Monteith
BBC Studios Corporate Services Limited

Strategic Report

The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Strategic Report, which would otherwise be required to be contained in the Directors' Report:

- Future developments; and
- Financial risk management objectives and policies.

Events after the end of the reporting period

On 4th October 2022, the Company incorporated a wholly owned subsidiary company, Baby Cow Productions (Changing Ends) Limited.

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future based upon the continued financial support of the immediate parent company. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Research and development

The Company and the Group develop projects for television and, where certain criteria are met, as disclosed in the notes to the financial statements, capitalise and amortise such development costs. Where the outcome of projects does not meet the criteria for capitalisation, under UK adopted International Accounting Standards, development costs are expensed, or provided against where previously capitalised.

BABY COW PRODUCTIONS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

Auditor

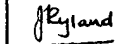
The auditor, Ross Bennet Smith, is deemed reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company is aware of that information.

By Order of the Board

DocuSigned by:



D328D8C3FECB4F7...

.....
Jackline Ryland

Company Secretary

Date:.....
17 October 2022

**BABY COW PRODUCTIONS LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022**

The Directors are responsible for preparing the Annual Report and the Group and Company 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 Group financial statements in accordance with UK-adopted International Accounting Standards ('UK IAS') and applicable law and have elected to prepare the Company 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 Group and of the Company and of the profit or loss of the Group for that period. In preparing each of the Group and the Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the Company financial statements, state whether applicable UK Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' and applicable law, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Group and Company financial statements on the going concern basis, unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

**BABY COW PRODUCTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED**

Opinion

We have audited the financial statements of Baby Cow Productions Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31st March 2022 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is UK-adopted International Accounting Standards ('UK IAS') and applicable law. The financial reporting framework that has been applied in the preparation of the Company financial statements is United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' and applicable law).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31st March 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework,' and
- the Group and Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 Group's and 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.

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

BABY COW PRODUCTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT (continued)
TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors 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 Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

BABY COW PRODUCTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT (continued)
TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We have designed 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.

We obtain and update our understanding of the entity, its activities, its control environment and likely future developments, including in relation to the legal and applicable regulatory framework and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- enquiry of management and those charged with governance around actual and potential litigation and claims, as well as actual, suspected or alleged fraud;
- reviewing minutes of meetings of those charged with governance;
- assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the Group and the Company through enquiry and inspection;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of possible bias.

Based on the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

BABY COW PRODUCTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT (continued)
TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ross Bennet Smith

Christian Pye (Senior Statutory Auditor)
For and on behalf of Ross Bennet Smith

Chartered Accountants
Statutory Auditor

Ground Floor, Charles House
5-11 Regent Street, St James's
London
SW1Y 4LR

Date: *27 October 2022*

BABY COW PRODUCTIONS LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022

CONTINUING OPERATIONS	Notes	2022 £	2021 £
Revenue	3	10,156,508	2,221,514
Cost of sales		<u>(9,092,702)</u>	<u>(1,645,967)</u>
Gross profit		1,063,806	575,547
Other operating income	4	547,296	95,272
Administrative expenses		<u>(2,107,974)</u>	<u>(2,329,832)</u>
Operating loss	5	(496,872)	(1,659,013)
Investment income	9	53	85
Finance costs	10	<u>(82,406)</u>	<u>(25,724)</u>
Loss before taxation		(579,225)	(1,684,652)
Taxation credit for the year	11	<u>855,810</u>	<u>525,032</u>
Profit / (loss) for the financial year		<u>276,585</u>	<u>(1,159,620)</u>

The profit (2021: loss) for the financial year is all attributable to the owners of the Company.

BABY COW PRODUCTIONS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2022

	2022	2021
	£	£
Profit / (loss) for the year	276,585	(1,159,620)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>276,585</u>	<u>(1,159,620)</u>


The total comprehensive income for the year is all attributable to the owners of the Company.

BABY COW PRODUCTIONS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2022

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	12	46,947	76,765
Property, plant and equipment	13	<u>436,398</u> 483,345	<u>89,678</u> 166,443
Current assets			
Work in progress	16	4,748,789	2,554,160
Trade and other receivables	17	1,583,514	162,586
Current tax assets	11	855,810	525,032
Cash and cash equivalents	18	<u>1,425,930</u> 8,614,043	<u>2,125,119</u> 5,366,897
Current liabilities			
Contract liabilities	3	(4,717,559)	(2,147,450)
Trade and other payables	19	<u>(5,563,665)</u> (10,281,224)	<u>(3,933,935)</u> (6,081,385)
Net current (liabilities)		<u>(1,667,181)</u>	<u>(714,488)</u>
Total assets less current liabilities		(1,183,836)	(548,045)
Non-current liabilities	20	<u>(287,624)</u>	<u>(1,200,000)</u>
Net (liabilities)		<u>(1,471,460)</u>	<u>(1,748,045)</u>
Equity			
Called up share capital	25	96	96
Share premium account	26	199,912	199,912
Retained earnings		<u>(1,671,468)</u>	<u>(1,948,053)</u>
Total equity		<u>(1,471,460)</u>	<u>(1,748,045)</u>

14 October 2022

The financial statements were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:

DocuSigned by:

 7D4E123FD08D41D...
Jonathan Merrell
Director
 17 October 2022

Company Registration No. 03851811

BABY COW PRODUCTIONS LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2022

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	12	10,107	-
Property, plant and equipment	13	436,398	89,678
Investments	14	<u>9</u>	<u>8</u>
		446,514	89,686
Current assets			
Work in progress	16	130,431	67,344
Contract assets	3	130,898	-
Trade and other receivables	17	1,086,533	259,300
Cash and cash equivalents	18	<u>853,058</u>	<u>1,160,372</u>
		2,200,920	1,487,016
Current liabilities			
Contract liabilities	3	(960,729)	(585,000)
Trade and other payables	19	<u>(2,877,409)</u>	<u>(1,543,824)</u>
		(3,838,138)	(2,128,824)
Net current (liabilities)		<u>(1,637,218)</u>	<u>(641,808)</u>
Total assets less current liabilities		(1,190,704)	(552,122)
Non-current liabilities	20	<u>(287,624)</u>	<u>(1,200,000)</u>
Net (liabilities)		<u>(1,478,328)</u>	<u>(1,752,122)</u>
Equity			
Called up share capital	25	96	96
Share premium account	26	199,912	199,912
Retained earnings		<u>(1,678,336)</u>	<u>(1,952,130)</u>
Total equity		<u>(1,478,328)</u>	<u>(1,752,122)</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's profit for the year was £273,794 (2021: Loss of £1,131,366).

14 October 2022

The financial statements were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:

DocuSigned by:

Jonathan Jeffrey Merrell

Jonathan Merrell

Director

17 October 2022

Company Registration No. 03851811

BABY COW PRODUCTIONS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2022

	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1st April 2020	<u>96</u>	<u>199,912</u>	<u>(788,433)</u>	<u>(588,425)</u>
Year ended 31st March 2021				
Loss and total comprehensive income for the year	=	=	<u>(1,159,620)</u>	<u>(1,159,620)</u>
Balance at 31st March 2021	<u>96</u>	<u>199,912</u>	<u>(1,948,053)</u>	<u>(1,748,045)</u>
Year ended 31st March 2022				
Profit and total comprehensive income for the year	=	=	<u>276,585</u>	<u>276,585</u>
Balance at 31st March 2022	<u>96</u>	<u>199,912</u>	<u>(1,671,468)</u>	<u>(1,471,460)</u>

BABY COW PRODUCTIONS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2022

	Share capital £	Share premium account £	Retained earnings £	Total £
Balance at 1st April 2020	<u>96</u>	<u>199,912</u>	<u>(820,764)</u>	<u>(620,756)</u>
Year ended 31st March 2021				
Loss and total comprehensive income for the year	=	=	<u>(1,131,366)</u>	<u>(1,131,366)</u>
Balance at 31st March 2021	<u>96</u>	<u>199,912</u>	<u>(1,952,130)</u>	<u>(1,752,122)</u>
Year ended 31st March 2022				
Profit and total comprehensive income for the year	=	=	<u>273,794</u>	<u>273,794</u>
Balance at 31st March 2022	<u>96</u>	<u>199,912</u>	<u>(1,678,336)</u>	<u>(1,478,328)</u>

BABY COW PRODUCTIONS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

	Note	£	2022 £	£	2021 £
Cash flows from operating activities					
Cash (absorbed by) operations	33		(900,267)		(2,638,932)
Interest paid			(69,307)		(21,879)
Income taxes received			<u>525,032</u>		<u>666,912</u>
Net cash (outflow) from operating activities			(444,542)		(1,993,899)
Investing activities					
Purchase of intangible assets		(50,839)		(388,574)	
Proceeds on disposal of intangible assets		-		417,904	
Purchase of property, plant and equipment		(34,500)		-	
Upfront cost of right-of-use asset		(9,923)		-	
Interest received		<u>53</u>		<u>85</u>	
Net cash (outflow) / inflow from investing activities			(95,209)		29,415
Financing activities					
Proceeds from borrowings		2,600,000		3,651,600	
Repayment of borrowings		(2,651,600)		(1,350,000)	
Repayment of lease liabilities		<u>(107,870)</u>		<u>(143,097)</u>	
Net cash (outflow) / inflow from financing activities			(159,470)		2,158,503
Net (decrease) / increase in cash and cash equivalents			(699,221)		194,019
Cash and cash equivalents at beginning of year			<u>2,125,119</u>		<u>1,931,100</u>
Cash and cash equivalents at end of year	18		<u>1,425,898</u>		<u>2,125,119</u>

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

1. Accounting policies

Company information

Baby Cow Productions Limited (the 'Company') is a private company limited by shares and domiciled and incorporated in England and Wales. The registered office is 1 Television Centre, 101 Wood Lane, London, W12 7FA and the place of business is Unit C, 8-14 Vine Hill, London, EC1R 5DX.

The Group consists of the Company and all of its subsidiaries and the Group's interests in joint ventures.

1.1 Accounting convention

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('UK IAS') and in accordance with those parts of the Companies Act 2006 applicable to groups reporting under UK IAS.

The Company financial statements have been prepared under FRS 101 'Reduced Disclosure Framework.'

International Financial Reporting Standards as adopted by the European Union ('IFRS') were replaced with UK IAS for accounting periods commencing on or after 1st January 2021. These Group financial statements to 31st March 2022 have therefore been prepared under UK IAS whilst the comparative financial statements to 31st March 2021 were prepared under IFRS. Extant IFRS at 1st January 2021 form part of UK IAS on the transition date of 1st January 2021 and so the transition from IFRS to UK IAS has not required restatement of the comparative financial statements.

The Group and the Company financial statements are prepared in Sterling, which is the functional currency of the Group and Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value, where specified. The principal accounting policies adopted are set out below.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of (i) paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements, (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment, (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

1.1 Accounting convention (continued)

- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- the requirements of the second sentence of paragraph 110, 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

As permitted by FRS101, the Company has taken advantage of the disclosure exemptions available under that Standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, Standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future based upon the continued financial support of the immediate parent company. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 New Standards, Amendments, Interpretations and new relevant disclosure requirements

There are no new Standards, Amendments, Interpretations or new relevant disclosure requirements which have been adopted for the first time in the Group financial statements which have had a significant impact on these financial statements.

Certain Standards, Amendments, Interpretations and new relevant disclosure requirements have been issued by the UK Endorsement Board but are not yet effective to the Group and have not been adopted early. Adoption of these Standards, Amendments, Interpretations and new relevant disclosure requirements is not expected to have a material impact on the Group's financial statements in the year of adoption.

1.4 Basis of consolidation

In the Group financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the business combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

The consolidated financial statements incorporate those of Baby Cow Productions Limited and all of its subsidiaries (ie, entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

1.4 Basis of consolidation (continued)

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

1.5 Joint ventures

The Group's share of operating profits and losses of joint ventures is included in the consolidated income statement and the Group's share of their net assets/liabilities is included in the consolidated statement of financial position. These amounts are taken from the latest audited financial statements of the joint ventures concerned. Where there are losses in excess of the investment and there is no constructive obligation to make payments on the joint venture's behalf, the Group will discontinue recognising further losses and reduce its interest in the consolidated statement of financial position to zero.

1.6 Investments

Investments in subsidiaries and joint ventures are recorded at cost less impairment in the Company's statement of financial position.

1.7 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. The complexity of individual contractual terms may require the Group to make judgements in assessing when the triggers for revenue recognition have been met, particularly whether the Group has sufficiently fulfilled its obligations under the contract to allow revenue to be recognised.

Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS 15 to meet 'over time' recognition. The default category, if none of these criteria are met, is 'point in time' recognition. Refer to the Group's revenue streams below for which category the revenue recognition generally meets.

Revenue is recognised exclusive of Value Added Tax.

The Group's main sources of contract revenue are recognised as follows:

Production revenue is recognised on delivery of the related programme and in accordance with the underlying contract. The payment terms are over the terms of the contract.

Content and format sales are recognised on the later of the start of the licence period (taking into account any hand back dates) or when the Group's performance obligations have been satisfied. For content sales, the performance obligation will generally be to deliver the associated programme to the customer, therefore, revenue is recognised 'episodically' on delivery of each episode.

For format sales, there are two performance obligations – to provide the format 'bible' and in some cases to provide production assistance. Revenue is allocated to each of these performance obligations based on stand-alone selling prices and recognition is at two separate 'points in time.' The payment terms are over the terms of the contract.

Where royalties are collected by third parties, revenue is recognised on receipt, or on an accruals basis where sufficient reliable information is available.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

High-end television tax credits are included in the consolidated income statement once the associated calculations have been prepared and are ready to be submitted to HM Revenue and Customs.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Intangible fixed assets**Goodwill**

Goodwill is measured as disclosed in Note 1.4. Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is recognised at cost less accumulated impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of acquisition.

Gains and losses arising on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

Intangible assets other than goodwill – development costs

Research expenditure is written off to the consolidated income statement in the year in which it was incurred. Development expenditure is written off in the same way unless the Directors are satisfied that it meets the criteria set out in IAS38 as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised and amortised over the period during which the Group is expected to benefit. This is assessed on a project by project basis, when a project reaches completion, and the amortisation period is 10 years or less on a straight line basis.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

1.9 Intangible fixed assets (continued)*Intangible assets other than goodwill – trademarks*

Trademark costs are capitalised and amortised over the period during which the Group is expected to benefit. The amortisation period is 10 years on a straight line basis.

1.10 Property, plant and equipment

Property, plant and equipment is initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Office equipment	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis
Leasehold improvements	Straight line over the lease term

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset and is recognised in the consolidated income statement.

1.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.12 Financial assets

The Group classifies its financial assets in the following categories:

- amortised cost;
- fair value through profit or loss (FVPL); and
- fair value through other comprehensive income (FVOCI).

The classification depends on the purpose for which the financial assets were acquired, ie, the Group's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial assets.

Regular way purchases and sales of financial assets are recognised on the trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

1.12 Financial assets (continued)

Financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met (and the financial assets are not designated at FVPL):

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss in other operating income. Impairment losses are presented as a separate line item in profit or loss headed 'net impairment losses on financial and contract assets.'

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss are subsequently measured at fair value with gains or losses recognised in profit or loss and presented net within other operating income in the period in which they arise. Fair values are determined by reference to active markets or using valuation techniques where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

This category includes the following:

- Equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and this classification is therefore considered to be the most relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.13 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

1.13 Trade and other receivables (continued)

To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

1.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts, as they are considered an integral part of the Group's cash management.

1.15 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as current liabilities unless payment is not due within 12 months after the reporting date.

1.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, in which case they are classified as non-current liabilities.

1.17 Lease payments

The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

At the commencement date, the lease liability is initially measured at the present value of the lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

1.17 Lease payments (continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method.

The carrying amount of the liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments.

The lease term is the non-cancellable period of the lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

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

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

Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

Right-of-use assets are depreciated over the shorter of the assets' remaining lease term or over the remaining economic life, if shorter, on a straight-line basis. The amortisation period for right-of-use assets is as follows:

Right-of-use asset – office building	5 years
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When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments which is dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the associated right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Short-term leases are leases with a term of 12 months or less. The Group also holds low-value assets which comprise of an office copier and a small storage box. The lease payments for both of these items are recognised as an operating expense on a straight-line basis over the term of the associated lease.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

1.18 Equity instruments

Equity comprises of the following:

- Share capital represents the nominal value of the equity shares;
- Share premium represents the excess over nominal value of the fair value of consideration received from the equity shares, net of expenses of the share issue; and
- Retained earnings represent accumulated profits and losses since incorporation less any dividends paid

1.19 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.20 Work in progress

Work in progress comprises expenditure on television programme productions in progress. The amounts will be recognised as cost of sales as related income is recognised on delivery of the associated television programme productions. Work in progress is valued at the lower of cost and net realisable value.

1.21 Government grants

Government grants are recognised at the fair value of the asset received or receivable where there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Grants were received in the prior year in relation to the UK Government's job retention scheme claims and these grants were recognised on an accruals basis at the fair value of the amounts received or receivable. Such grants are included in other operating income and are recognised in the period to which they relate.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

2 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual outcomes may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group is required to consider non-financial assets for impairment where such indicators exist using value in use calculations or fair value estimates. The use of these methods may require the estimation of future cash flows and the estimation of a discount rate in order to calculate the present value of the cash flows.

Development costs

Development projects are assessed at the end of each financial period to ascertain if they meet the criteria for capitalisation, as referred to in the accounting policy notes, and also to consider whether the capitalised values have been impaired.

Revenue recognition

The timing of revenue recognition requires judgement, as does the amount to be recognised. This may involve estimating the fair value of consideration before it is received. In making these judgments, the Group considers the detailed criteria for the recognition of revenue set out in IFRS 15 'Revenue from contracts with customers,' the accounting criteria set out in Note 1 and whether the Group has satisfied the performance obligations in the contract.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

3 Revenue

An analysis of the Group's revenue, all generated in the United Kingdom, is as follows:

	2022	2021
	£	£
Revenue analysed by class of business:		
Production	8,998,624	1,163,479
Distribution	1,157,884	1,058,035
	<u>10,156,508</u>	<u>2,221,514</u>

Contract balances

Contract assets (accrued income) primarily relate to the Group's right to consideration for work completed but not billed at the year end. Contract liabilities (deferred income) primarily relate to consideration received from customers in advance of transferring a good or delivering a service. The following table provides an analysis of significant changes to contract assets and liabilities during the year.

	Contract liabilities	
GROUP	2022	2021
	£	£
At 1 April	2,147,450	1,621,659
Decrease due to revenue recognised in the year	(2,147,450)	(56,709)
Increase due to cash received in advance	4,717,559	582,500
At 31 March	<u>4,717,559</u>	<u>2,147,450</u>
Presented with:		
Current	4,717,559	2,147,450
Non-Current	-	-
	<u>4,717,559</u>	<u>2,147,450</u>

The Group had no contract assets at 31st March 2022 or 31st March 2021.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

3 Revenue (continued)

COMPANY	Contract assets		Contract liabilities	
	2022	2021	2022	2021
	£	£	£	£
At 1 April	-	-	585,000	54,209
Decrease due to revenue recognised in the year	-	-	-	(54,209)
New contract assets	130,898	-	-	-
Increase due to cash received in advance	-	-	375,729	585,000
At 31 March	130,898	-	960,729	585,000
Presented with:				
Current	130,898	-	960,729	585,000
Non-Current	-	-	-	-
	130,898	-	960,729	585,000

4 Other operating income

	2022	2021
	£	£
Government grants receivable	-	95,272
Insurance claim receipts – additional costs arising on delayed productions	547,296	-
Total	547,296	95,272

5 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging or crediting:		
Research and development costs	1,381	34,583
Depreciation of owned property, plant and equipment	8,079	4,892
Depreciation of right-of-use asset	109,957	133,970
Amortisation of intangible assets	393	-
Goodwill impairment charge	13,470	-
Loss on disposal of property, plant and equipment	5,562	-
Loss on disposal of intangible assets	50,455	-

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and associates:		
For audit services:		
Audit of the financial statements of the Group and Company	9,000	9,000
For other services:		
- taxation compliance services	2,100	6,850
- all other non-audit services	30,200	31,550
	<u>32,300</u>	<u>38,400</u>

7 Employees

The average monthly number of persons (including directors) employed in the Group and the Company during the year was:

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Directors	5	5	5	5
Production	24	9	4	7
Administration	6	6	6	6
	<u>35</u>	<u>20</u>	<u>15</u>	<u>18</u>

The aggregate remuneration comprised:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Wages and salaries	1,923,697	1,941,753	1,296,700	1,817,265
Social security costs	232,270	238,524	160,407	224,283
Pension costs	14,614	23,229	14,614	23,229
	<u>2,170,581</u>	<u>2,203,506</u>	<u>1,471,721</u>	<u>2,064,777</u>

Of the total remuneration expense set out above, £269,142 (2021: £124,488) is included in work in progress at 31 March 2022.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

8 Directors' remuneration

	2022	2021
	£	£
Emoluments	495,698	328,413
Compensation for loss of office	-	430,000
Employer's pension - defined contribution	2,642	2,079
Total	498,340	760,492

The highest paid director's emoluments were as follows:

	2022	2021
	£	£
Emoluments	330,552	501,209
Employer's pension - defined contribution	1,321	766
Total	331,873	501,975

The number of directors receiving defined contribution pension contributions was 2 (2021: 2).

9 Investment income

	2022	2021
	£	£
Interest on bank deposits	53	85

10 Finance costs

	2022	2021
	£	£
Other interest	69,307	21,879
Lease interest	13,099	3,845
Total	82,406	25,724

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

11 Taxation

	2022	2021
	£	£
Current tax		
Tax credits	(855,810)	(525,032)
	<u> </u>	<u> </u>
Total current tax (credit) / charge	(855,810)	(525,032)
	<u> </u>	<u> </u>

The actual (credit) / charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
(Loss) before taxation	(579,225)	(1,684,652)
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(110,053)	(320,084)
Adjustment in respect of prior year	-	81,264
Expenses not deductible for tax purposes	8,011	3,141
Unutilised tax losses carry forward	81,818	235,679
Depreciation in excess of capital allowances	20,224	-
Tax credits	(855,810)	(525,032)
	<u> </u>	<u> </u>
Tax credit for the year	(855,810)	(525,032)
	<u> </u>	<u> </u>

The Group has tax losses carried forward of £7,832,388 (2021: £7,528,167), however, a deferred tax asset has not been recognised in respect of these losses due to uncertainty over the timing and amount of their recovery.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

12 Intangible assets

GROUP	Intangibles	Other Development costs	Goodwill	Total
	£	£	£	£
Cost				
At 1 st April 2021	-	63,295	13,470	76,765
Additions	10,500	24,000	-	34,500
Disposals	-	(50,455)	-	(50,455)
At 31 st March 2022	10,500	36,840	13,470	60,810
Amortisation and impairment				
At 1 April 2021	-	-	-	-
Amortisation charge in the year	393	-	-	393
Impairment losses	-	-	13,470	13,470
At 31 st March 2022	393	-	13,470	13,863
Carrying amount				
At 31 st March 2022	10,107	36,840	-	46,947
At 31 st March 2021	-	63,295	13,470	76,765
GROUP				
	Intangibles	Other Development costs	Goodwill	Total
	£	£	£	£
Cost				
At 1 st April 2020	-	92,625	13,470	106,095
Additions	-	388,574	-	388,574
Disposals	-	(417,904)	-	(417,904)
At 31 st March 2021	-	63,295	13,470	76,765
Amortisation and impairment				
At 1 st April 2020 and 31 st March 2021	-	-	-	-
Carrying amount				
At 31 st March 2021	-	63,295	13,470	76,765
At 31 st March 2020	-	92,625	13,470	106,095

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

12 Intangible assets (continued)

COMPANY	Other intangibles £
Cost	
At 1 st April 2021	-
Additions – separately acquired	10,500
At 31 st March 2022	<u>10,500</u>
Amortisation	
At 1 st April 2021	-
Amortisation charge for the year	<u>393</u>
At 31 st March 2022	<u>393</u>
Carrying amount	
At 31 st March 2022	<u><u>10,107</u></u>
At 31 st March 2021	<u><u>-</u></u>
COMPANY	Development costs £
Cost	
At 1 st April 2020	20,000
Disposals	(20,000)
At 31 st March 2021	<u>-</u>
Amortisation	
At 1 st April 2020 and 31 st March 2021	<u>-</u>
Carrying amount	
At 31 st March 2021	<u><u>-</u></u>
At 31 st March 2020	<u><u>20,000</u></u>

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

13 Property, plant and equipment

GROUP AND COMPANY	Right-of-use asset £	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost					
At 1 st April 2021	349,061	-	178,428	31,430	558,919
Additions	419,480	42,074	-	8,765	470,319
Disposals	(349,061)	-	(153,632)	(22,287)	(524,980)
At 31st March 2022	419,480	42,074	24,796	17,908	504,258
Depreciation and Impairment					
At 1 April 2021	274,061	-	168,868	26,312	469,241
Depreciation charged in the year	109,957	3,506	2,390	2,183	118,036
Depreciation eliminated on disposals	(349,061)	-	(150,306)	(20,050)	(519,417)
At 31st March 2022	34,957	3,506	20,952	8,445	67,860
Carrying amount					
At 31 st March 2022	384,523	38,568	3,844	9,463	436,398
At 31 st March 2021	75,000	-	9,560	5,118	89,678
GROUP AND COMPANY	Right-of-use asset £	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost					
At 1 April 2020 and 31 March 2021	349,061	-	178,428	31,430	558,919
Depreciation and Impairment					
At 1 April 2020	140,091	-	165,682	24,606	330,379
Depreciation charged in the year	133,970	-	3,186	1,706	138,862
At 31st March 2021	274,061	-	168,868	26,312	469,241
Carrying amount					
At 31 st March 2021	75,000	-	9,560	5,118	89,678
At 31 st March 2020	208,970	-	12,746	6,824	228,540

Right-of-use asset

The Group and the Company is the lessee for one lease which is accounted for as a right-of-use asset and the underlying asset is office space. The former office was vacated during the year, on expiry of the lease, and a new lease was signed during the year with the associated office space also being accounted for as a right-of-use asset. Details of the associated lease liability are set out in Note 22.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

14 Fixed asset investments - Company

	2022	2021
	£	£
Investments in subsidiaries	9	8
Investments in joint ventures (Note 15)	-	-
Total	<u>9</u>	<u>8</u>

Movements in fixed assets investments

	Shares in group undertakings and participating interests
	£
Cost or valuation	
At 1 st April 2021	8
Additions	1
At 31 st March 2022	<u>9</u>
Impairment	
At 1 st April 2021 and 31 st March 2022	<u>-</u>
Carrying amount	
At 31 st March 2022	9
At 31 st March 2021	<u>8</u>

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

14 Fixed asset investments – Company (continued)

Details of the Company's subsidiaries at 31st March 2022 are as follows:

Name of undertaking	Registered Office**	Nature of business	Ownership Interest %
Baby Cow Films Limited	UK	Production of films	100.00
Baby Cow Manchester Limited	UK	Production of television programmes	100.00
Baby Cow Animation Limited	UK	Production of television programmes	100.00
Baby Cow Animation (Wussywat) Limited*	UK	Production of television programmes	100.00
Baby Cow Productions (Red Dwarf) Limited	UK	Production of television programmes	100.00
Baby Cow Productions (Hunderby) Limited	UK	Production of television programmes	100.00
Baby Cow Productions (Partridge) Limited	UK	Production of television programmes	100.00
Baby Cow Animation (Warren) Limited *	UK	Dormant	100.00
The Last Holiday Limited*	UK	Production of films	100.00
Alan Partridge Limited*	UK	Production of films	100.00
Baby Cow Productions (Witchfinder) Limited	UK	Production of television programmes	100.00
Philomena Lee Limited*	UK	Production of films	100.00
Lost Child Limited*	UK	Production of films	100.00
Baby Cow Productions (Chivalry) Limited	UK	Production of television programmes	100.00

*Held by a subsidiary undertaking

** All subsidiaries' and joint ventures' registered offices are 1 Television Centre, 101 Wood Lane, London, England, W12 7FA.

Baby Cow Productions (Chivalry) Limited has a non-coterminous year-end to the Group and interim financial information has been included in these consolidated financial statements. Baby Cow Productions (Chivalry) Limited was incorporated on 22 April 2022.

Section 479A of the Companies Act 2006 exemption from audit has been utilised by Baby Cow Productions (Partridge) Limited, Baby Cow Films Limited, Baby Cow Animation Limited, Alan Partridge Limited, Baby Cow Productions (Red Dwarf) Limited, Baby Cow Productions (Witchfinder) Limited, Philomena Lee Limited, Lost Child Limited and Baby Cow Productions (Chivalry) Limited.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

15 Joint ventures

Details of joint ventures at 31 March 2022 are as follows:

Name of undertaking Ownership	Registered Office	Nature of business	Ownership Interest %
Moone Boy (UK) Limited	UK	Production of television programmes	50.00

The Group's share of joint ventures' net results and net liabilities have been included at £Nil (2021: £Nil).

16 Work in progress

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Production costs	4,748,789	2,554,160	130,431	67,344

17 Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	1,062,401	50,000	354,456	50,000
Amounts due from Group undertakings	-	-	530,694	96,709
Other receivables	488,793	87,735	169,062	87,740
Prepayments and accrued income	32,320	24,851	32,321	24,851
	1,583,514	162,586	1,086,533	259,300

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Directors do not consider that the fair value of trade and other receivables above differs from book value.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these receivables do not have a significant financing component. The Group has a relatively small number of customers and impairment is considered by individual customer. No credit losses have been recognised during either the current or prior year.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

18 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank and on hand	1,425,930	2,125,119	853,058	1,160,372

For the purpose of the consolidated statement of cash flows, Group cash and cash equivalents comprise the following at 31st March 2022:

	2022	2021
	£	£
Cash at bank and in hand	1,425,930	2,125,119
Bank overdraft	(32)	-
Cash and cash equivalents	1,425,898	2,125,119

19 Trade and other payables

	Notes	Group		Company	
		2022	2021	2022	2021
		£	£	£	£
Bank overdraft		32	-	-	-
Pension creditor		3,579	3,504	3,579	2,901
Trade payables		397,422	216,578	340,206	210,556
Other taxation and social security		237,762	51,718	164,806	89,001
Loans from parent	21	3,600,000	2,451,600	1,450,000	-
Amounts owed to Group undertakings		-	-	-	300,000
Dividends payable		504,037	504,037	504,037	504,037
Other payables		292,002	353,974	31,166	99,205
Accruals		454,795	305,649	309,579	291,249
Lease liability	22	74,036	46,875	74,036	46,875
		5,563,665	3,933,935	2,877,409	1,543,824

20 Non-current liabilities

	Notes	Group		Company	
		2022	2021	2022	2021
		£	£	£	£
Loans from parent	21	-	1,200,000	-	1,200,000
Lease liability	22	287,624	-	287,624	-
		287,624	1,200,000	287,624	1,200,000

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

21 Borrowings

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Loans from immediate parent company	3,600,000	2,451,600	1,450,000	-
Amounts falling due greater than one year:				
Loans from immediate parent company	-	1,200,000	-	1,200,000
	<u>3,600,000</u>	<u>3,651,600</u>	<u>1,450,000</u>	<u>1,200,000</u>

Loans from immediate parent company

During the year ended 31st March 2021, the Group entered into a loan facility of £2,751,600 provided by BBC Studios Distribution Limited for the production of "This Time with Alan Partridge." The Group drew down £2,451,600 during the year ended 31st March 2021, in line with the agreed production cash flow, and a further £300,000 during the year ended 31st March 2022. £2,651,600 was repaid during the year ended 31st March 2022 and the outstanding balance was £100,000 (2021: £2,451,600). Interest is charged on the loan at 2% plus LIBOR (replaced by SONIA from 1 January 2022) per annum. Security is held over the produced content.

During the year ended 31st March 2021, the Group entered into a loan facility of £1,500,000 provided by BBC Studios Distribution Limited. The Group drew down £1,200,000 during the year ended 31st March 2021 and a further £150,000 during the year ended 31st March 2022 and the full amount remains outstanding at 31st March 2022 (2021: £1,200,000). The loan is repayable on 31st March 2023. Interest is charged on the loan at 4% plus LIBOR (replaced by SONIA from 1 January 2022) per annum. The loan is unsecured.

During the year, the Group entered into a new loan facility of £1,500,000 provided by BBC Studios Distribution Limited for the production of 'Chivalry.' The Group drew down £1,450,000 during the year in line with the agreed production cashflow and this amount was outstanding at the year end. Interest is charged on the loan at 2% plus LIBOR (replaced by SONIA from 1 January 2022) per annum. Security is held over the produced content.

During the year, the Group entered into a new loan facility of £700,000 provided by BBC Studios Distribution Limited for the production of 'Witchfinder.' The Group drew down £700,000 during the year in line with agreed production cashflow and this amount was outstanding at the year end. Interest is charged on the loan at 2% plus LIBOR (replaced by SONIA from 1 January 2022) per annum. Security is held over the produced content.

During the year, the Group received loans totalling £2,600,000 (2021: £3,651,600) and made repayments of £2,651,600 (2021: £1,350,000). The balance outstanding at 31st March 2022 is £3,600,000 (2021: £3,651,600).

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

22 Lease payments

Lessee

The Company and Group leases its office building; information about the lease for which the Company and Group is a lessee is presented below. The right-of-use asset is presented in note 13.

Lease liability

	2022	2021
	£	£
Contractual undiscounted cash flows		
Within one year	97,008	46,875
Between two and five years	323,625	-
Total undiscounted lease liability at 31 March	420,633	46,875

Lease liabilities included in Group and Company statement of financial position at 31 March

Within one year	74,036	46,875
Between two and five years	287,624	-
Total lease liability at 31 March	361,660	46,875

Amounts recognised in profit and loss

Interest on lease liability	13,099	3,845
Expenses relating to leases of low -value assets	11,822	13,447

Amounts recognised in the consolidated statement of cash flows

Total cash outflow for leases	107,870	143,097
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BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

23 Retirement benefit scheme

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The total costs charged to income in respect of the defined contribution pension scheme are £14,614 (2021: £23,229).

24 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Carrying amount of financial assets:				
Debt instruments measured at amortised cost	1,551,193	137,735	1,185,110	234,449
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities:				
Measured at amortised cost	5,613,495	5,082,217	3,000,227	2,654,823
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

25 Share capital

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
2,406 (2021: 2,256) Ordinary shares of 1p each	24	22
7,218 (2021: 6,768) Ordinary 'A' shares of 1p each	72	68
0 (2021: 600) Ordinary 'B' shares of 1p each	-	6
	<u>96</u>	<u>96</u>

The Company does not specify authorised share capital.

All shares have full voting rights and full participation in income and capital distributions.

During the year, 450 Ordinary 'B' shares were re-designated to 450 Ordinary 'A' shares and 150 Ordinary 'B' shares were re-designated to 150 Ordinary shares.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

26 Share premium

	2022	2021
	£	£
At 1 April 2021 and 31 March 2022	199,912	199,912

27 Risk management

The Group is not subject to any externally imposed capital requirements. The Group have a low exposure to liquidity, credit, interest rate and currency risks. The Group manages these risks via cash management and the use of forecasting, in association with discussions on budgets with parent undertakings.

28 Related party transactions

No guarantees have been given or received, other than in respect of the Section 479A Companies Act 2006 guarantees provided, as described in Note 14.

The Company has taken advantage of the FRS 101 exemption for qualifying entities from disclosing related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by a member of that group.

During the year, the Group received income totalling £8,029,404 (2021: £1,532,212) from BBC Studios Distribution Limited, the immediate parent company. Loans received from the immediate parent company total £3,600,000 (2021: £3,651,600); further details are provided in Note 21.

29 Financial commitments, guarantees and contingent liabilities

Pathe Productions Limited, Film Finances Inc, The Screen Actors Guild-American Federation of Television and Radio Artists and the British Broadcasting Corporation hold charges over the Group companies Lost Child Limited and Philomena Lee Limited with respect to all of the rights, title and interest in the film entitled "Philomena."

The British Film Institute holds a charge over the Group companies Lost Child Limited and Philomena Lee Limited with respect to all of the rights, title and interest in the film entitled "Philomena," excluding only the UK tax credit account and the UK tax credit receipts.

Charges have been made against the Group company Alan Partridge Limited in favour of the following parties in respect of a film produced by that Group company and to secure their interest in the copyright and title of the film: Film Finance Inc, British Broadcasting Corporation, Studiocanal Limited and The British Film Institute.

30 Directors' transactions

During the year £67,134 (2021: £101,177) of expenses were paid by the Directors on behalf of the Group and £68,842 (2021: £55,136) of expenses were paid by the Group on behalf of the Directors. At the year end the Directors' loan accounts were in a credit position of £2,703 (2021: £4,411 credit position).

31 Key management personnel

The Directors are considered to be the key management personnel and their remuneration is disclosed in Note 8. A separate analysis of remuneration paid to key management personnel has therefore not been presented.

BABY COW PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2022

32 Parent company and ultimate controlling party

The immediate parent company of Baby Cow Productions Limited is BBC Studios Distribution Limited and its registered office is 1 Television Centre, 101 Wood Lane, London, England, W12 7FA.

The ultimate controlling party is the British Broadcasting Corporation (BBC) which is incorporated in the United Kingdom by Royal Charter.

The largest group in which the results of the Group are consolidated is that headed by the BBC. The consolidated accounts of the BBC may be obtained online at www.bbc.co.uk/annual-report.

33 Cash generated from Group operations

	2022	2021
	£	£
Profit / (loss) for the year after tax	276,585	(1,159,620)
Adjustments for:		
Taxation credit	(855,810)	(525,032)
Finance costs	82,406	25,724
Investment income	(53)	(85)
Depreciation and impairment of property, plant and equipment	8,079	4,892
Depreciation of right-of-use lease asset	109,957	133,970
Amortisation of intangible assets	393	-
Loss on sale of property, plant and equipment	5,562	-
Loss on disposal of intangible assets	50,455	-
Goodwill impairment charge	13,470	-
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(1,420,928)	637,991
(Increase) in work in progress	(2,194,629)	(2,091,177)
Increase / (decrease) in trade and other payables	454,137	(191,386)
Increase in contract liabilities	2,570,109	525,791
Cash (absorbed by) operations	(900,267)	(2,638,932)

34 Events after the end of the reporting period

On 4th October 2022, the Company incorporated a wholly owned subsidiary company, Baby Cow Productions (Changing Ends) Limited.