

Registered number 05094691

Aurora Media Worldwide UK Limited

Annual Report and Financial Statements

for the Period from 1 July 2018 to 31 December 2018

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Aurora Media Worldwide UK Limited

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Aurora Media Worldwide UK Limited

Company information

Directors	L Duffy N Duncanson V Turton S Brown
Secretary	A McMullen
Registered office	Berkshire House 168-173 High Holborn London WC1V 7AA
Independent Auditors	Dixon Wilson 22 Chancery Lane London WC2A 1LS

Aurora Media Worldwide UK Limited

Strategic Report for the 6 month period ended 31 December 2018

The directors present their Strategic Report for the 6 month period ended 31 December 2018.

Principal activity and review of the business

The principal activity of the company is production of television programmes. The directors do not anticipate any changes in those activities over the coming year.

The loss for the period amounted to £49,891 (profit year ended 30 June 2018: £519,339). Results were driven by a range of new production commissions and re-commissions of existing programming.

As at 31 December 2018, shareholders' funds total £64,630 (30 June 2018: £114,521). The decrease over the period is due to seasonality in the period ended 31 December.

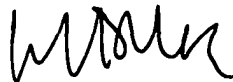
Principal risks and uncertainties

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 (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 Aurora Media Worldwide UK 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 12 December 2019 and signed on behalf of the board by:



Lawrence Duffy
Director
12 December 2019

Berkshire House
168-173 High Holborn
London
WC1V 7AA

Aurora Media Worldwide UK Limited

Directors' report for the 6 month period ended 31 December 2018 (continued)

The directors present their report and the audited financial statements for the period from 1 July 2018 to 31 December 2018. During the period the Company changed its accounting reference date from 30 June to 31 December to align the Company's year end with that of its parent company DLG Acquisitions Limited.

During the period the Company transitioned from preparing its financial statements in accordance with the Financial Reporting Stanadard 102 (FRS 102) to the Financial Reporting Standard 101 (FRS 101) and has taken advantage of certain disclosure exemptions allowed under this standard.

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 producers of television programmes will enable it to maintain its current position in the future.

Dividends

No dividend has been paid or declared in the period.

Financial Risk Management

Through its trading activities the Company is exposed to certain levels of credit, interest rate, currency and liquidity risk. Main credit risk arises from customers not meeting payment terms however this is monitored closely by management. Interest risk arises on cash balances subject to interest based on floating rates. Currency risk arises as certain debtors are denominated in foreign currencies. The Company funds its operations from trading activities.

Directors of the company

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

L Duffy

N Duncanson (appointed 11 December 2018)

S Brown (appointed 11 December 2018)

V Turton (appointed 11 December 2018)

R Chapman (resigned 11 December 2018)

G Toomey (resigned 11 December 2018)

The Company maintains liability insurance for its directors and officers.

Aurora Media Worldwide UK Limited

Directors' report for the 6 month period ended 31 December 2018 (continued)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to auditors

Each of the persons who are 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 auditors are 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 auditors are 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.

Approved by the Board on 12 December 2019 and signed on behalf of the board by:

Lawrence Duffy

Director

12 December 2019



Berkshire House
168-173 High Holborn
London
WC1V 7AA

Aurora Media Worldwide UK Limited

Independent auditors' report to the members of Aurora Media Worldwide UK Limited

Report on the financial statements

Opinion

We have audited the financial statements of Aurora Media Worldwide UK Limited (the 'company') for the period ended 31 December 2018 which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we

Aurora Media Worldwide UK Limited

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 has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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, 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; 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 4, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Aurora Media Worldwide UK 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 state 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.



.....
Steven Wakefield (Senior Statutory Auditor)
For and on behalf of Dixon Wilson, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

Date:.....13/12/19

Aurora Media Worldwide UK Limited

Profit and loss account for the 6 month period ended 31 December 2018

		6 month period ended 31 December 2018 £	Restated year ended 30 June 2018 £
	Note		
Turnover		5,056,394	13,348,333
Cost of sales		(4,407,060)	(11,696,770)
Gross profit		649,334	1,651,563
Administrative expenses		(708,587)	(1,054,325)
Operating (Loss)/Profit	3	(59,253)	597,238
Interest payable		-	(14,912)
(Loss)/Profit before taxation		(59,253)	582,326
Tax on profit	7	9,362	(62,987)
(Loss)/Profit for the financial year		(49,891)	519,339

The above results were derived from continuing operations.

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

Aurora Media Worldwide UK Limited

Statement of comprehensive income for the 6 month period ended 31 December 2018

	6 month period ended 31 December 2018	Restated year ended 30 June 2018
	£	£
(Loss)/Profit for the financial year	(49,891)	519,339
Total comprehensive income for the period	<u>(49,891)</u>	<u>519,339</u>

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

Aurora Media Worldwide UK Limited
(Registration number: 05094691)

Balance sheet as at 31 December 2018

		31 December 2018	Restated 30 June 2018
	Note	£	£
Fixed assets			
Tangible assets	8	222,010	234,732
		<u>222,010</u>	<u>234,732</u>
Current assets			
Work In Progress	9	2,069,891	1,614,392
Debtors	10	2,151,880	2,730,430
Cash at bank and in hand		1,292,747	799,619
		<u>5,514,518</u>	<u>5,144,441</u>
Creditors: amounts falling due within one year	11	<u>(5,831,922)</u>	<u>(5,389,272)</u>
Net current liabilities		<u>(317,404)</u>	<u>(244,831)</u>
Deferred Tax Asset	7	258,982	249,620
Creditors: amounts falling due more than one year		<u>(98,958)</u>	<u>(125,000)</u>
Net assets		<u>64,630</u>	<u>114,521</u>
Capital and reserves			
Called up share capital	12	100	100
Share Premium account		246,961	246,961
Profit and loss account	13	<u>(182,431)</u>	<u>(132,540)</u>
Total shareholders' funds		<u>64,630</u>	<u>114,521</u>

The financial statements of Aurora Media Worldwide UK Limited (registered number: 05094691) were approved by the board of directors and authorised for issue on 12th December 2019.

They were signed on its behalf by:



Lawrence Duffy
Director
12 December 2019

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

Aurora Media Worldwide UK Limited

Statement of changes in equity for the 6 month period ended 31 December 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 July 2018 (restated)	100	246,961	(132,540)	114,521
Total comprehensive income for the period	-	-	(49,891)	(49,891)
At 31 December 2018 (restated)	100	246,961	(182,431)	64,630

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 July 2017 (restated)	100	246,961	(651,879)	(404,818)
Total comprehensive income for the year	-	-	519,339	519,339
At 30 June 2018 (restated)	100	246,961	(132,540)	114,521

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

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

1. General information

Aurora Media Worldwide UK Limited is a private company limited by share capital incorporated in England and Wales.

The address of the registered office is:

Berkshire House
168-173 High Holborn
London
WC1V 7AA

Principal place of business is:

Palliser House
Palliser Road
London
W14 9EQ

The nature of the company's operations and principal activities are set out in the Strategic Report on page 2.

2. Accounting policies

2.1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of Aurora Media Worldwide UK Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The Company transitioned from Financial Reporting Standard 102 to Financial Reporting Standard 101 with effect from 1 July 2017. The adjustments made on this transition are disclosed in note 18. The main effect of this transition is the point at which revenue is recognised. Revenue is now reported in accordance with the provisions of IFRS 15 Revenue from Contracts with Customers. This has meant that revenue is now recognised later than under the previous stage of completion method under FRS 102. This can be seen in note 18. 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosure'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

2. Accounting policies (continued)

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirement in respect of:
 - (i) Paragraph 79(a)(iv) of IAS 1;
 - (ii) Paragraph 73(e) of IAS 16 Property, plant and equipment;
 - (iii) Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financialisation 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 and 18A of IAS 24, 'Related party disclosures' (key management compensation)

Where required equivalent disclosures are given in the group financial statements of DLG Acquisitions Limited. The group financial statements of DLG Acquisitions Limited are available to the public and can be obtained as set out in note 17.

Going concern

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

Turnover

For commissioned TV programmes, turnover and attributable profit are recognised on an episodic basis once delivery of the production to the broadcaster occurs and are shown net of VAT sales tax.

Both under and overspends are accounted for once known and are recognised in accordance with the episodic delivery pattern.

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

2. Accounting policies (continued)

Provision is made for any loss-making contracts as soon as identified (i.e. expected overspend is in excess of originally anticipated margin).

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

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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Notes to the financial statements for the period ended 31 December 2018 (continued)

2. Accounting policies (continued)

Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the company's shareholders.

Tangible assets

Fixed assets are stated at cost less depreciation.

Cost comprises the purchase price of the asset and directly attributable costs in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

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

Short leasehold improvements	Straight line over the life of the lease
Technical equipment	Straight line over 3 years
Office furniture and equipment	Straight line over 3 – 4 years

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.

Provisions

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

Leases

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

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 14 represents contributions payable by the company to the fund.

2.2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. See note 8 for the carrying amount of the tangible fixed assets.

(b) Impairment of trade and other debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the credit rating of the

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

2. Accounting policies (continued)

receivable, the ageing profile of receivables and historical experience. See note Note 10 for the net carrying amount of the receivables and associated impairment provision.

3. Operating profit

Arrived at after charging

	Period ended 31 December 2018 £	Year ended 30 June 2018 £
Auditors' remuneration	11,900	8,000
Depreciation expense	53,742	132,050
Net loss/(gain) on foreign currency translation	2,506	(13,686)

Revenues earned in

	Period ended 31 December 2018 £	Year ended 30 June 2018 £
United Kingdom	4,717,394	12,708,970
Rest of World	339,000	639,363
	<u>5,056,394</u>	<u>13,348,333</u>

4. Staff costs

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

	Period ended 31 December 2018 £	Year ended 30 June 2018 £
Wages and salaries	398,364	585,913
Social security costs	43,413	67,492
Other pension costs	23,959	32,169
	<u>465,736</u>	<u>685,574</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

5. Staff numbers

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

	Period ended 31 December 2018 No.	Year ended 30 June 2018 No.
Production	17	10
Administration	4	4
	<u>21</u>	<u>14</u>

6. Directors' remuneration

Directors' remuneration in period ended 31 December 2018 was £140,907 (year ended 30 June 2018: £287,340) for services to this company.

Directors' pension contributions period ended 31 December 2018 was £11,100 (year ended 30 June 2018: £13,200).

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

7. Tax on profit

(a) Tax expense included in profit or loss

	Period ended 31 December 2018 £	Year ended 30 June 2018 £
Current taxation		
UK corporation tax	-	-
Adjustment in respect of prior periods	-	-
Total current income tax	<u>-</u>	<u>-</u>
Deferred taxation		
Origination and reversal of temporary differences	283,715	278,034
Capital allowances in advance of depreciation	(24,733)	(28,414)
Total deferred taxation	<u>258,982</u>	<u>249,620</u>
Total tax credit/(charge) on profit	<u>9,362</u>	<u>(62,987)</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

7. Tax on profit continued

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

The corporation tax rate has been reduced to 17% by the Finance Act 2016 which received Royal Assent on 15 September 2017.

To the extent this rate change will affect the amount of future cash tax payments to be made by the company, this will reduce the amount of its deferred tax liabilities and assets.

(c) Deferred tax

	31 December 2018	30 June 2018
	£	£
Included in debtors (note 10)	258,982	249,620
Analysed as below:		
Depreciation in advance of capital allowances	(24,733)	(28,414)
Short term timing differences upon adoption of FRS101	283,714	278,034
Deferred taxation asset	258,982	249,620

Deferred tax movement during the year:

	At 1 July 2018	Recognised in income	At 31 December 2018
	£	£	£
Accelerated tax depreciation	(28,414)	3,681	(24,733)
Short term timing differences	278,034	5,681	283,715
	249,620	9,362	258,982

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

7. Tax on profit continued

	31 December 2018	30 June 2018
Deferred tax	£	£
Opening balance	249,620	312,607
Movement in year	9,362	(62,987)
Closing balance	<u>258,982</u>	<u>249,620</u>

8. Tangible fixed assets

	Plant and Machinery	Fixtures and fittings	Office Equipment	Total
	£	£	£	£
Cost				
At 1 July 2018	281,778	69,400	469,805	820,983
Additions	25,205	1,798	11,590	38,593
At 31 December 2018	<u>306,983</u>	<u>71,198</u>	<u>481,395</u>	<u>859,576</u>
Accumulated Depreciation				
At 1 July 2018	100,638	58,213	427,400	586,251
Charge for the year	27,326	3,715	20,274	51,315
At 31 December 2018	<u>127,964</u>	<u>61,928</u>	<u>447,674</u>	<u>637,566</u>
Net book value				
At 31 December 2018	<u>179,018</u>	<u>9,271</u>	<u>33,720</u>	<u>222,010</u>
At 30 June 2018	<u>181,140</u>	<u>11,187</u>	<u>42,404</u>	<u>234,732</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

9. Work in Progress

	31 December 2018	30 June 2018
	£	£
Work in progress	2,069,891	1,614,392

10. Debtors

	31 December 2018	30 June 2018
	£	£
Trade debtors	145,708	1,352,294
Amounts owed by fellow group undertakings	1,190,791	-
Prepayments and accrued income	815,381	1,378,136
	2,151,880	2,730,430

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

11. Creditors: amount falling due within one year

	31 December 2018	30 June 2018
	£	£
Trade creditors	1,352,288	847,432
Accruals and deferred income	3,973,802	4,055,287
Amounts owed to fellow group undertakings	80,204	-
Social security and other taxes	425,628	486,553
	5,831,922	5,389,272

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

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

12. Called up share capital

Authorised, allotted, called up and fully paid shares

	31 December 2018		30 June 2018	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

13. Profit and loss account

	31 December 2018	30 June 2018
	£	£
Opening balance	(132,540)	(651,879)
(Loss)/Profit for financial year	(49,891)	519,339
Closing balance	(182,431)	(132,540)

14. Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and in the period ended 31 December 2018 amounted to £23,959 (year ended 30 June 2018: £32,169). No contributions were payable to the fund at the balance sheet date.

15. 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.

During the period ended 31 December 2018 the company made sales amounting to £2,437,146 to companies controlled by Formula E Holdings Limited, a company under common control. These sales related to production services and were made on an arm's length basis. There was an amount of £1,190,791 outstanding from the company at the period end.

During the period ended 31 December 2018 the company supplied services amounting to £104,923 to North One Television Limited, a company under common control. These purchases related to production services and were made on an arm's length basis. There was an amount of £80,204 outstanding from the company at the period end.

During the period ended 31 December 2018 the company made sales amounting to £4,407 to Eurosport SAS, a company under common control. These sales related to production services and were made on an arm's length basis. There was an amount of £814 outstanding from the company at the period end.

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

16. Commitments

As at 31 December 2018 the company had total commitments under non-cancellable operating leases of £62,734 (year ended 30 June 2018 - £84,589).

£50,187 is due within 1 year and £12,547 is due between 1 – 5 years.

17. Parent and ultimate parent undertaking

On 11 December 2019 a controlling equity stake was bought by DLG Acquisitions Limited.

The 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 2018. Copies of its group financial statements, which include the company, are available from Berkshire House, 168-173 High Holborn, London, WC1V 7AA. The ultimate controlling parties at the balance sheet date are Liberty Global plc and Discovery Inc. (formerly Discovery Communications Inc), which own LGCI HoldCo I B.V. and DNI Holdings (Jersey) Limited respectively, who are equal joint venture owners of DLG Acquisitions Limited.

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

18. Transition to FRS 101

Under the Financial Reporting Standard ('FRS') 102, revenue on multiple year contracts, was accounted for under the stage of completion method which matched revenue proportionally, based on expected gross profit with the costs incurred to date. FRS 101 requires that revenue for contracts with customers be accounted for in accordance with IFRS 15. This requires revenue and costs to be recognised, in the accounting period, when performance obligations, under the contract are completed.

Transitional adjustments, as shown below, have been made to turnover, cost of sales, work in progress and deferred income in respect of this timing difference in recognition.

	As originally reported 30 June 2017 £	Prior year adjustment £	Restated 30 June 2017 £
Fixed assets			
Tangible assets	98,588	-	98,588
	<u>98,588</u>	<u>-</u>	<u>98,588</u>
Current assets			
WIP	-	2,145,507	2,145,507
Debtors	2,910,383	-	2,910,383
Cash at bank and in hand	803,070	-	803,070
	<u>3,713,453</u>	<u>2,145,507</u>	<u>5,858,960</u>
Creditors: amounts falling due within one year	<u>(3,875,326)</u>	<u>(2,487,040)</u>	<u>(6,362,366)</u>
Net current assets	<u>(161,873)</u>	<u>(341,533)</u>	<u>(503,406)</u>
Creditors: amounts falling due more than one year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net assets	<u>(63,285)</u>	<u>(341,533)</u>	<u>(404,818)</u>
Capital and reserves			
Called up share capital	100	-	100
Share Premium account	246,961	-	246,961
Profit and loss account (restated)	(310,346)	(341,533)	(651,879)
	<u>(63,285)</u>	<u>(341,533)</u>	<u>(404,818)</u>
Total shareholders' funds	<u>(63,285)</u>	<u>(341,533)</u>	<u>(404,818)</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

	As originally reported 30 June 2018 £	Adjustment to bought forward 2017 £	Prior year adjustment £	Restated 30 June 2018 £
Fixed assets				
Tangible assets	234,732	-	-	234,732
	<u>234,732</u>	<u>-</u>	<u>-</u>	<u>234,732</u>
Current assets				
WIP	-	2,145,507	(531,115)	1,614,392
Debtors	2,980,050	-	-	2,980,050
Cash at bank and in hand	799,619	-	-	799,619
	<u>3,779,669</u>	<u>2,145,507</u>	<u>(531,115)</u>	<u>5,394,061</u>
Creditors: amounts falling due within one year	<u>(3,589,268)</u>	<u>(2,487,040)</u>	<u>687,036</u>	<u>(5,389,272)</u>
Net current assets	<u>190,401</u>	<u>(341,533)</u>	<u>155,921</u>	<u>4,789</u>
Creditors: amounts falling due more than one year	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>
Net assets	<u>300,133</u>	<u>(341,533)</u>	<u>155,921</u>	<u>114,521</u>
Capital and reserves				
Called up share capital	100	-	-	100
Share Premium account	246,961	-	-	246,961
Profit and loss account (restated)	53,072	(341,533)	155,921	(132,540)
	<u>300,133</u>	<u>(341,533)</u>	<u>155,921</u>	<u>114,521</u>
Total shareholders' funds	<u>300,133</u>	<u>(341,533)</u>	<u>155,921</u>	<u>114,521</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the period ended 31 December 2018 (continued)

	As originally reported 30 June 2018 £	Prior year adjustment £	Restated year ended 30 June 2018 £
Turnover	12,661,297	687,036	13,348,333
Cost of sales	(11,165,655)	(531,115)	(11,696,770)
Gross profit	1,495,642	155,921	1,651,563
Administrative expenses	(1,054,325)	-	(1,054,325)
Operating profit	441,317	155,921	597,238
Interest payable	(14,912)	-	(14,912)
Profit before taxation	426,405	155,921	582,326
Tax on profit	(62,987)	-	(62,987)
Profit for the financial year	363,418	155,921	519,339

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 30 June 2018 originally reported	100	246,961	53,072	300,133
Net effect of transitional adjustments	-	-	(185,612)	(185,612)
At 30 June 2018 restated	<u>100</u>	<u>246,961</u>	<u>(132,540)</u>	<u>114,521</u>

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 30 June 2017 originally reported	100	246,961	(310,346)	(63,285)
Net effect of transitional adjustments	-	-	(341,533)	(341,533)
At 30 June 2017 restated	<u>100</u>	<u>246,961</u>	<u>(651,879)</u>	<u>(404,818)</u>