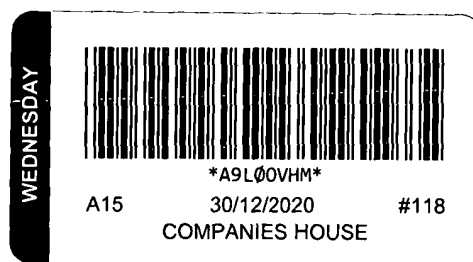


Registered number 05094691

Aurora Media Worldwide UK Limited

Annual Report and Financial Statements

for the year to 31 December 2019



Aurora Media Worldwide UK Limited

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Aurora Media Worldwide UK Limited

Directors' report for the period ended 31 December 2019 (continued)

The directors present their report and the audited financial statements for the year from 1 January 2019 to 31 December 2019.

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
S Brown
V Turton

The Company maintains liability insurance for its directors and officers.

Aurora Media Worldwide UK Limited

Directors' report for the period ended 31 December 2019 (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.

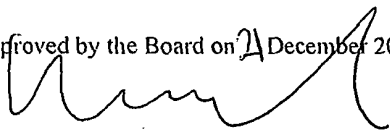
Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 21 December 2020 and signed on behalf of the board by:



Victoria Jane Turton
Director

Berkshire House
168-173 High Holborn
London
WC1V 7AA

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	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

Aurora Media Worldwide UK Limited

Strategic Report for the year ended 31 December 2019

The directors present their Strategic Report for the year ended 31 December 2019.

Principal activities 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 profit for the year amounted to £823,980 (loss for six month period ended 31 December 2018: £49,891). Results were driven by a range of new production commissions and re-commissions of existing programming.

As at 31 December 2019, shareholders' funds total £888,610 (31 December 2018: £64,630).

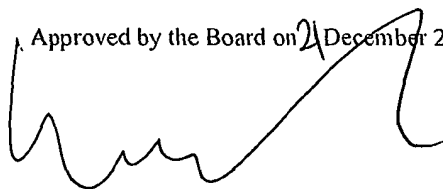
Principal risks and uncertainties

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 21 December 2020 and signed on behalf of the board by:



Victoria Jane Turton
Director

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

In our opinion, Aurora Media Worldwide UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the profit and loss account, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Aurora Media Worldwide UK Limited

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Aurora Media Worldwide UK Limited

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 December 2020

Aurora Media Worldwide UK Limited

Profit and loss account for the year ended 31 December 2019

		(restated) 6 month period ended 31 December 2018 £
	Year ended 31 December 2019 £	
	Note	
Turnover	13,977,104	4,131,528
Cost of sales	(11,549,703)	(3,482,194)
Gross profit	2,427,401	649,334
Administrative expenses	(1,430,827)	(708,587)
Operating Profit/(Loss)	3 996,574	(59,253)
Interest payable	-	-
Profit/(Loss) before taxation	996,574	(59,253)
Tax on profit	7 (172,594)	9,362
Profit/(Loss) for the financial year	823,980	(49,891)

The above results were derived from continuing operations.

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

Aurora Media Worldwide UK Limited

Statement of comprehensive income for the year ended 31 December 2019

	Year ended 31 December 2019	(restated) 6 month period ended 31 December 2018
	£	£
Profit/(Loss) for the financial year	823,980	(49,891)
Total comprehensive income/(expense) for the period	<u>823,980</u>	<u>(49,891)</u>

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

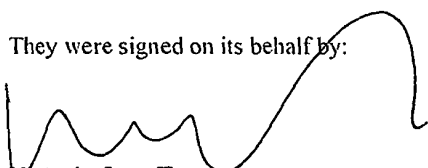
Aurora Media Worldwide UK Limited
(Registration number: 05094691)

Balance sheet as at 31 December 2019

		31 December 2019	31 December 2018
	Note	£	£
Fixed assets			
Tangible assets	8	199,075	222,010
		<u>199,075</u>	<u>222,010</u>
Deferred Tax Asset	7	86,388	258,982
Current assets			
Work In Progress	9	1,186,433	2,069,891
Debtors	10	2,348,955	2,151,880
Cash at bank and in hand		1,082,791	1,292,747
		<u>4,618,179</u>	<u>5,514,518</u>
Creditors: amounts falling due within one year	11	(3,978,074)	(5,831,922)
Net current assets/(liabilities)		<u>640,105</u>	<u>(317,404)</u>
Creditors: amounts falling due more than one year	12	(36,958)	(98,958)
Net assets		<u>888,610</u>	<u>64,630</u>
Capital and reserves			
Called up share capital	13	100	100
Share Premium account		246,961	246,961
Profit and loss account	14	641,549	(182,431)
Total shareholders' funds		<u>888,610</u>	<u>64,630</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 21 December 2020.

They were signed on its behalf by:


Victoria Jane Turton
Director

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

Aurora Media Worldwide UK Limited

Statement of changes in equity for the year ended 31 December 2019

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 January 2019	100	246,961	(182,431)	64,630
Total comprehensive income for the year	-	-	823,980	823,980
At 31 December 2019	<u>100</u>	<u>246,961</u>	<u>641,549</u>	<u>888,610</u>

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

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (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:

3-7 Ray Street
Farringdon
London
EC1R 3DR

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 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
- 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;

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

2. Accounting policies (continued)

(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.

Revenue and COS have been restated in prior period to reflect changes in interpretation of a co-production agreement. Revenue reduced by £924,866 COS reduced by £924,866. The restatement has had no impact on the overall reported gross margin.

Leases

Operating lease rentals below the threshold for application of IFRS 16 are charged to the income statement on a straight line basis over the period of the lease.

Short-term operating lease rentals, defined as short-term leases under IFRS 16, are charged to the income statement on a straight line basis over the period of the lease.

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 year ended 31 December 2019 (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.

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

2. Accounting policies (continued)

Tax (continued)

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

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

Dividend distribution

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

Tangible assets

Fixed assets are stated at cost less depreciation.

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

Depreciation

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

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.

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.

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

2. Accounting policies (continued)

2.2 Critical accounting estimates and judgements (continued)

(b) Impairment of trade and other debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 10 for the net carrying amount of the receivables and associated impairment provision.

3. Operating profit/(loss)

Arrived at after charging

	31 December 2019 £	Period ended 31 December 2018 £
Auditors' remuneration	18,000	11,900
Depreciation expense	102,658	53,742
Net loss on foreign currency translation	18,712	2,506

Revenues earned in

	31 December 2019 £	(restated) Period ended 31 December 2018 £
United Kingdom	12,150,337	3,792,528
Rest of World	1,826,767	339,000
	<u>13,977,104</u>	<u>4,131,528</u>

4. Staff costs

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

	31 December 2019 £	Period ended 31 December 2018 £
Wages and salaries	901,768	398,364
Social security costs	84,735	43,413
Other pension costs	55,169	23,959
	<u>1,041,672</u>	<u>465,736</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

5. Staff numbers

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

	31 December 2019 No.	Period ended 31 December 2018 No.
Production	20	17
Administration	7	4
	<u>27</u>	<u>21</u>

6. Directors' remuneration

Directors' remuneration in period ended 31 December 2019 was £330,000 (period ended 31 December 2018: £140,907) for services to this company.

Directors' pension contributions period ended 31 December 2019 was £30,000 (period ended 31 December 2018: £11,100).

In addition certain 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

	31 December 2019 £	Period ended 31 December 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	171,772	283,715
Capital allowances in advance of depreciation	822	(24,733)
Total deferred taxation	<u>172,594</u>	<u>258,982</u>
Total tax charge/(credit) on profit	<u>172,594</u>	<u>(9,362)</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

7. Tax on profit (continued)

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

The Finance Act 2015 reduced the UK corporation tax from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020). The previously enacted rate of 18% was reduced further to 17% in the Finance Bill 2016 which received Royal Assent on 15 September 2016. A revised Budget Resolution was passed on 17 March 2020 which reverses the two planned reductions, with the existing 19% rate substantively enacted as continuing. The corporation tax rate will therefore remain at 19% for the foreseeable future.

(c) Factors affecting the tax charge for the current year

The tax on profit for the year is lower than (2018: lower) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	31 December 2019
	£
Profit before tax	996,574
Corporation tax at standard rate 19% (2018: 19%)	189,349
Fixed asset differences	416
Expenses not deductible for tax	2,212
Remeasurement of deferred tax - change in UK rate	(20,209)
Adjustment for prior year	826
Group relief received but not paid for	-
Tax charge for the year	<u>172,594</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

7. Tax on profit (continued)

(d) Deferred tax

	31 December 2019	31 December 2018
	£	£
Included in debtors	<u>86,338</u>	<u>258,982</u>
Analysed as below:		
Depreciation in advance of capital allowances	(12,606)	(24,732)
Short term timing differences upon adoption of FRS101	<u>98,994</u>	<u>283,714</u>
Deferred taxation asset	<u>86,388</u>	<u>258,982</u>

Deferred tax movement during the year:

	At 31 December 2018 £	Recognised in income £	At 31 December 2019 £
Accelerated tax depreciation	(24,733)	12,127	(12,606)
Short term timing differences	<u>283,715</u>	<u>(184,721)</u>	<u>98,994</u>
	<u>258,982</u>	<u>(172,594)</u>	<u>86,388</u>

	31 December 2019	31 December 2018
	£	£
Deferred tax		
Opening balance	258,982	249,620
Movement in year	<u>(172,594)</u>	<u>9,362</u>
Closing balance	<u>86,388</u>	<u>258,982</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

8. Tangible fixed assets

	Plant and Machinery	Fixtures and fittings	Office Equipment	Total
	£	£	£	£
Cost				
At 1 January 2019	306,983	71,198	481,395	859,576
Additions	67,948	9,295	2,480	79,723
At 31 December 2019	374,931	80,493	483,875	939,299
Accumulated Depreciation				
At 1 January 2019	127,964	61,928	447,674	637,566
Charge for the year	89,221	11,515	1,922	102,658
At 31 December 2019	217,185	73,443	449,596	740,224
Net book value				
At 31 December 2019	157,746	7,050	34,279	199,075
At 31 December 2018	179,019	9,270	33,721	222,010

9. Work in Progress

	31 December 2019	31 December 2018
	£	£
Work in progress	1,186,433	2,069,891

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

10. Debtors

	31 December 2019	31 December 2018
	£	£
Trade debtors	1,243,876	1,336,499
Amounts owed by fellow group undertakings	-	-
Prepayments and accrued income	1,105,079	815,381
	<u>2,348,955</u>	<u>2,151,880</u>

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

11. Creditors: amount falling due within one year

	31 December 2019	31 December 2018
	£	£
Trade creditors	99,399	1,352,288
Accruals and deferred income	3,621,514	3,973,802
Amounts owed to fellow group undertakings	36,198	80,204
Social security and other taxes	220,963	425,628
	<u>3,978,074</u>	<u>5,831,922</u>

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

12. Creditors: amount falling due greater one year

	31 December 2019	31 December 2018
	£	£
Deferred income	36,958	98,958
	<u>36,958</u>	<u>98,958</u>

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

13. Called up share capital

Authorised, allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

14. Profit and loss account

	31 December 2019	31 December 2018
	£	£
Opening balance	(182,431)	(132,540)
(Loss)/Profit for financial year	823,980	(49,891)
Closing balance	641,549	(182,431)

15. Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and in the period ended 31 December 2019 amounted to £55,169 (period ended 31 December 2018: £23,959). No contributions were payable to the fund at the balance sheet date.

16. 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 2019 the company made sales amounting to £6,464,328 (2018: £1,706,963) 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 £844,537 (2018: £1,190,791) outstanding from the company at the period end.

Work with Formula E Holdings Limited is undertaken in partnership with North One Television Limited. Aurora Media Worldwide Limited completes all the billing and collection while half the value is recognised by North One Television Limited.

There was an amount of £nil (2018: £80,204) outstanding to North One Television Limited at the period end.

During the period ended 31 December 2019 the company made sales amounting to £nil (2018: £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 £nil (2018: £814) outstanding from the company at the period end.

Aurora Media Worldwide UK Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

17. Parent and ultimate parent undertaking

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 2019. 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.

18. Post balance sheet events

The impact of the COVID-19 pandemic is a non-adjusting post balance sheet event.

On 30 January 2020 the World Health Organisation declared COVID-19 to be a global health emergency. Subsequent to this, governments around the world began taking measures to respond to the outbreak, including the restriction of gatherings, the closure of non-essential services, and limits on travel. As a result, global television production has virtually halted.

As at the time of signing of these accounts, the situation is continuing to evolve rapidly and restrictions remain in place.

During this unprecedented time the directors recognise the versatility, creativity and resilience of the television industry and the Company will continue to be creative and resourceful as it learns how to adapt to new ways of working.

19. Prior period adjustment

In the prior period revenue and cost of sales were overstated in the financial statements. This is due to over recognition of equal ~~amount~~ values of revenue and cost of sales from co-production agreements held jointly with other All Media group companies – the impact is set out as follows:

	As reported 31 December 2018	Adjustment	Restated at 31 December 2018
	£	£	£
Revenue	5,056,394	(924,866)	4,131,528
Cost of sales	(4,407,060)	924,866	(3,482,194)
Gross profit	<u>649,334</u>	<u>-</u>	<u>649,334</u>