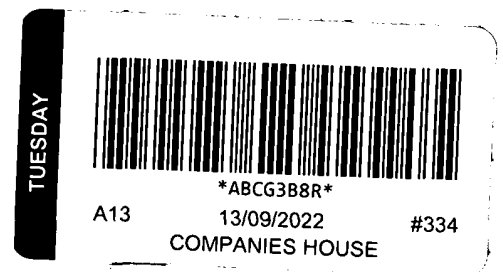


COMPANY REGISTRATION NUMBER: 05221898

Love Productions Limited
Financial Statements
31 December 2021



SHIPLEYS LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Love Productions Limited
Financial Statements
Year ended 31 December 2021

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Love Productions Limited

Strategic Report

Year ended 31 December 2021

The Directors of Love Productions Limited ("the Company"), present their Strategic Report for the year ending 31 December 2021. The purpose of the Strategic Report is to inform members of the Company and help them assess how the Directors have performed their duty under Section 172 of the Companies Act 2006 (duty to promote the Company).

Principal activities and business review

The principal activity of the Company and its subsidiaries ("the Group") during the year was that of television production.

The decrease in revenue is due to the 12 month period being reported for 2021 as compared to 18 months in 2020. On a pro-rata 12 months basis turnover increased by 1.7%.

Covid 19 continued to significantly impact the US resulting in a 40% decrease in turnover. However, this was offset by the UK which saw a 6% increase in turnover and a 12.8% profit increase despite the continued impact of covid 19.

Key financial performance Indicators (KPI's)

The key financial performance indicators of the Group are turnover and EBITDA which are summarised below:

	2021 £	2020 £
£000		
Turnover	58,172	85,778
Gross profit	29,009	43,571
GP%	50	51
EBITDA	15,366	23,648

Key non-financial performance Indicators (KPI's)

Key Non KPI's indicators are the continued production of high quality content, the management and protection of programme brands, ongoing development of excellent creative content and the investment and development of staff.

Employment policies

The Company ("Love") has continued its efforts to create a great place to work and to provide support and development for colleagues at all stages of their career.

Managing and developing our people

Equal opportunities

The Company ("Love") has continued to support equality, diversity and inclusion and endeavours to ensure that all colleagues are valued, treated with dignity and respect, and have a meaningful voice on matters that affect them.

Employee engagement

At Love we listen to our people and encourage everyone to be involved. We know great ideas come from all corners of our business and we believe in harnessing these ideas for the benefit of our customers and our people.

Future developments

Two new productions were commissioned during the period and scheduled to go into production in 2022 when covid restrictions are expected to decrease and there is significant interest in more of the development slate.

Love Productions Limited

Strategic Report *(continued)*

Year ended 31 December 2021

Impact of Covid-19

Covid 19's impact on 2021 was significant. In the US, offices remained closed for the year and productions suspended or cancelled. In the UK, the Company continued to adapt its extensive protocols to allow filming to continue and managed to meet its entire transmission slate on time. The pandemic continued to affect operations throughout the period but the Company are positive about the upcoming period given the reduced impact on health by Covid 19.

Going concern

The Directors have undertaken an assessment of whether the Company was a going concern when the accounts were prepared, considering all available information about the future including Covid-19 and Brexit, covering a period of 12 months from the date of the approval of the accounts.

The Directors expect that the business will continue to generate adequate cash flows, together with Company's existing cash, cash equivalents and investments will be sufficient for the Company to meet its current and long-term liquidity and capital requirements.

The Directors have formed a judgement at the time of approving financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Principal risks and uncertainties

The Company manages business and financial risk and uncertainties as a whole rather than each individual production. For this reason the Directors believe that the Company has reduced exposure to business and financial risks given the variety in its television series portfolio. The television industry is a volatile industry susceptible to changes in the global economy, as well as changes in legislation, regulation and government policy which may affect the industry. Any of these may adversely affect consumer demand for television programmes or the ability to successfully finance or market television productions. Further details on financial risks are disclosed in the Directors Report.

Opportunities & risks

To promote the long-term sustainable success of the Company and the Sky Group, Sky seeks to identify and capitalise on a broad range of opportunities whilst also mitigating risks. Sky has a formal risk management framework embedded within the business to support the identification and management of risk across the Sky Group. There is an ongoing monitoring process which is operated by the Sky Group risk team and supported by senior management across the Group, to identify and report on significant changes or new risks. The Sky Group Risk, Controls and Assurance function assists the business to develop risk registers and consolidates these to support both Sky's day to day approach to risk and to form part of Comcast's year end requirements.

Streamline energy and carbon reporting

Love Productions has been tracking and reporting our carbon footprint across all UK productions since 2018/2019 via the UK industry wide albert carbon calculator. Our London office uses green energy and LED lighting and all of our production sets include as much LED/energy efficient lighting as possible, which we aim to improve on with each new year of production. In 2021 our lighting suppliers switched from using a standard diesel generator fuel to an HVO 100% Renewable Diesel that does not release any new carbon dioxide into the atmosphere. Wherever possible we reuse set materials and props across productions and returning series.

The Company does not consider it practical to analyse the carbon and energy usage at Company's level, given the interconnected nature of the Company's operations within the Sky Group, and accordingly the disclosure has been included for the Sky Group as a whole as set out below:

Love Productions Limited

Strategic Report *(continued)*

Year ended 31 December 2021

Streamline energy and carbon reporting *(continued)*

We have been reporting our carbon footprint since 2005/6. In 2006 we decided to extend our environmental management programme to become carbon neutral. Tackling climate change was becoming more and more important and we chose to take a lead in reducing and offsetting emissions.

Sky follows three steps to become carbon neutral:

- **Measure** - we calculate our greenhouse gas emissions at the end of each financial year by calculating our Scope 1 and 2 CO₂e emissions (premises, company owned vehicles and refrigerant use) and Scope 3 emissions including business travel and waste sent to landfill.
- **Reduce** - we are committed to avoiding and reducing our emissions before offsetting to achieve our carbon neutral status. Performance against our targets can be reviewed in our Bigger Picture Impact Report.
- **Offset** - each year we offset our location-based Scope 1 and 2 emissions and selected Scope 3 emissions to make Sky a CarbonNeutral® Company across our operations. Carbon offsetting is compensating for your own, unavoidable emissions by financing an emission reduction project elsewhere. That finance purchases carbon credits, equivalent to one tonne of CO₂ each, which the emission reduction projects generate. These projects are audited by an independent third party.

During the prior-year, to further reduce our Scope 1 and 2 emissions, Sky replaced diesel generator fuel with low carbon HVO at three main sites and optimised cooling at our technical sites amongst other initiatives to maximise energy efficiency.

We verify our carbon neutral result by following the CarbonNeutral® Protocol, the global standard for carbon neutral programmes, to ensure our claim is robust and credible. Our CarbonNeutral® certification, awarded by a third party, provides independent assurance of our climate action.

Further information including a detailed breakdown of our Scopes 1, 2 and 3 emissions, our progress towards net zero carbon by 2030 and historic reporting can be found in our annual impact reports at <https://www.skygroup.sky/reports><https://www.skygroup.sky/reports>.

	2021 UK and Ireland	2021 Sky Group	2020 UK and Ireland	2020 Sky Group
Carbon Intensity				
Revenue (£m)	10,891	14,744	9,873	14,464
Carbon Intensity (Total Scopes 1 and 2 (location-based) tCO ₂ e/£m revenue)	5.67	6.06	6.14	6.15
Carbon Emissions (tCO₂e)				
Scope 1 (Fuel combustion and operation of facilities)	21,657	38,324	19,929	36,448
Scope 2 (market-base purchase energy)	3,038	8,149	7,737	21,577
Total Scope 1 and 2 (market-based purchased energy)	24,695	46,473	27,666	58,025
Scope 2 (location-based purchased energy)	40,090	51,055	40,648	52,675
Total Scope 1 and Scope 2 (location based purchased energy)	61,747	89,379	60,577	89,123
Total Energy consumption Scope 1 and Scope 2 (kWh)	280,703,720	400,474,465	261,589,964	382,428,211
Carbon Emissions (Scope 3 tCO₂e)				
Scope 3 (Business travel in non-company vehicles)	977	1,095	1,311	1,436

Love Productions Limited

Strategic Report *(continued)*

Year ended 31 December 2021

Streamline energy and carbon reporting *(continued)*

Figures in the provided table are reflecting Sky Group and UK and Ireland only (the level at which the information is monitored) and therefore will not agree to the revenue reported in these financial statements.

Methodology

We calculate our greenhouse gas emissions in carbon dioxide equivalent (CO₂e) for Scopes 1 and 2 according to the Greenhouse Gas Protocol Corporate Standard and associated guidance. We use the emission factors from the latest UK Government (DEFRA/BEIS) Greenhouse Gas Conversion Factors for Company Reporting (2021), IEA Statistics Data Service: Emission Factors (2021 edition) and the Association of Issuing Bodies: Version 1.0 2020 European Residual Mixes (2021 edition). Data for UK & Ireland includes Sky's Joint Ventures, small international offices and news bureaux and business activities in Portugal.

Our total gross CO₂e emissions include all Scope 1 and Scope 2 location-based greenhouse gas emissions; and our market-based emissions are those remaining after emissions factors from contractual instruments have been applied. Our energy providers retain, on our behalf, the Guarantees of Origin (GOs) and Renewable Energy Guarantee of Origin (REGOs). In addition, we offset our total gross emissions, including Scope 1, location-based Scope 2 and selected Scope 3 emissions, through the purchase of Voluntary Carbon Standard offsets. Our Scope 1 & 2 carbon emissions data and carbon intensity are subject to an annual independent assurance review, the results of which are published alongside our annual impact report.

For our full basis of reporting, please see our website <https://www.skygroup.sky/documents-policies>.

Section 172 statement

Under section 172(1) of the Companies Act 2006 ("Section 172"), the Directors must act in the way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the Company.

The Directors of the Company, both individually and collectively, consider that they have discharged their duties under Section 172 whilst considering the factors listed above in the decisions made during the year ended 31 December 2021.

Due to the breadth and extent of stakeholders and the size of the Sky Group as a whole, stakeholder engagement often takes place at an operational, country or Group level for Sky Group as well as Comcast, rather than at an individual company level. Decisions made by the Directors consider the Group's strategic goals and are consistent with Comcast's Code of Conduct and made in pursuit of promoting the success of the Company and its members as a whole. Key decisions made at the individual Company level include approving the annual report and financial statements and approving dividend distributions in board meetings, among others. The dividend policy applicable to each entity in Sky Group is governed by decisions made at a Group level.

Love Productions Limited

Strategic Report *(continued)*

Year ended 31 December 2021

Section 172 statement *(continued)*

Our employees

We communicate with our employees frequently and conduct employee engagement surveys. The Directors recognise that employees are central to our success. We celebrate diversity, equity and inclusion and seek to have a workforce that is inclusive and reflective of the diverse range of our customers and modern society.

The Company is proud of our community of volunteer employee networks who support our commitment to diversity and inclusion and help drive change. The Company is committed to equal opportunities in employment and recruitment and promoting the diversity of our workforce in respect of, among others, disability, race, gender, age, sexual orientation, pregnancy, marital status or fixed or part time status. We aim to ensure a transparent, professional working environment where employees treat each other with respect and in which all employment-related decisions (from recruitment through to career development and progression) are based on the individual's qualifications, ability, performance, skills and potential. Applications for employment by anyone with a physical or mental impairment are always fully considered, bearing in mind the abilities of the applicant concerned. For members of staff with a disability, or who become disabled during employment, every effort is made to ensure that their employment with the Group continues and that appropriate adjustments are considered and support provided, in line with our reasonable adjustment policy. In the event that a disabled employee is unable to continue in their current role after considering the adjustments available, we have a redeployment policy and process to provide support to help the employee secure an alternative role. It is the policy of the Sky Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be equal to that of other employees.

Today@Sky is Sky Group's employee intranet which publishes, daily online, articles of national importance, local company news and matters of concern to employees and the Company alike. It is a dynamic resource widely used and regarded and easily provides an opportunity for feedback and comment from employees. The Company encourages a culture of open communication and reporting, and the Sky Listens Programme (along with the Comcast NBCUniversal Listens Programme) provides several available channels to raise concerns without fear of retaliation. People are encouraged to speak up using whichever reporting option they feel most comfortable with, and anyone may submit a report via the Sky Listens Helpline or Web Portal. We provide details on how to speak up on Today@Sky, along with company policies and guides including the Comcast Code of Conduct and Sky's Ways of Working.

Our partners

As part of the Comcast Group we understand the need to foster good relationships with our suppliers and our customers. We seek to offer the very best service to our customers. We use the highest editorial standards and have strong privacy protections. Our products are safe, easy and enjoyable to use. We seek to build successful long-term relationships with our partners. A critical part of doing business is partnering with others and we believe that partnerships are built on trust and mutual advantage. We interact honestly and with integrity in the marketplace and we expect our business partners to do the same.

We conduct an annual Human Rights Risk Assessment using our tool which brings together risk assessments from across the business. We conduct supplier engagement and pre-contract audits with high-risk suppliers. We provide training and support to suppliers to make improvements and are guided by our victim-centred Response Protocol for incidents raised with possible indicators of modern slavery. Our Human Rights Policy is informed by our risk assessment. We monitor outcomes of human rights due diligence aligned to our policy to understand the effectiveness of our policy.

Love Productions Limited

Strategic Report *(continued)*

Year ended 31 December 2021

Section 172 statement *(continued)*

We expect our suppliers and business partners to act ethically and share in our commitment to operate with integrity and in accordance with applicable laws and regulations, as set forth in our Code of Conduct for Suppliers and Business Partners, available here: <https://corporate.comcast.com/impact/values-integrity/integrity/our-suppliers-and-business-partners>.

Comcast's annual Statement on Modern Slavery and Supply Chain Values and Sky's Modern Slavery Update provide more information on Sky's approach to understanding and addressing the risks of modern slavery, and conducting human rights due diligence.

Our communities

As part of the Comcast Group, a global media and technology company, we are committed to using the power of our platforms, our people and our reach to create positive change and a more equitable society. By supporting local communities, our teammates, and our planet we can help create a world of open possibilities so that together we can build a future that benefits generations to come. We are focusing our efforts in the following areas:

Digital Equity - by helping people access the resources, skills and tools they need to succeed in an increasingly digital world

Diversity, Equality and Inclusion - by creating a truly diverse and equitable company and society.

Environment - by shaping a sustainable future by improving our environmental impact.

Values and Integrity - by fostering a company culture built on integrity and respect. Our values and principles guide everything we do.

Members

The Company is a wholly owned subsidiary of Sky Ventures Limited and is part of the Sky and Comcast Group. The duties of the Directors are exercised in a way that is most likely to promote the success of the Company, Sky and Comcast as a whole, while also having regard to factors outlined in Section 172 of the Companies Act 2006.

Aug 26, 2022

This report was approved by the board of Directors on and signed on behalf of the board by:


Tanya Richards (Aug 26, 2022 15:35 GMT+1)

T C Richards
Director

Love Productions Limited

Directors' Report *(continued)*

Year ended 31 December 2021

The Directors present their report and the financial statements of the group for the year ended 31 December 2021.

Directors

The Directors who served the company during the year were as follows:

C Smith	(Appointed 31 May 2021)
S Robson	(Appointed 31 May 2021)
T C Richards	(Appointed 31 May 2021)
R McKerrow	(Retired 31 May 2021)
J H Millichip	(Retired 31 May 2021)
C L Cooper	(Retired 31 May 2021)
G Davey	(Retired 31 May 2021)
L E Kavanagh	(Retired 31 May 2021)

The following Directors resigned on 1 February 2022:

S Robson
C Smith

The following Directors were appointed on 1 February 2022:

B Shingleton
P Wedlock

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks as set out below.

Credit risk

The Group's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the Group's operations.

The Balance Sheet of the Company and the Group include receivables due from third parties, as well as intercompany balances due from related parties. The Company and Group are therefore exposed to credit risk on these balances and credit losses relating to these receivables are recognised as applicable.

Liquidity risk

The Director's view is that any exposure to liquidity risk is low.

The Group relies on the Comcast Group Treasury function to manage its liquidity and ensure that sufficient funds are available for ongoing operations and future developments.

The Group makes use of money market facilities where funds are available.

Foreign exchange risk

The Company's activities expose it to the financial risk of changes in foreign currency exchange rates specifically in respect of the intercompany receivable from the US subsidiary. The exposure to foreign currency risk is monitored on an ongoing basis by the management.

Love Productions Limited

Directors' Report *(continued)*

Year ended 31 December 2021

Interest rate risk

The Group has no bank loans and the Directors view is that any exposure to interest rate risk is low.

Overseas branches

The Company is incorporated in the United Kingdom. It has no overseas branches but trading activities are carried on through its US subsidiary.

Directors insurance

Directors and officers Insurance is in place to indemnify the Directors against liabilities arising from the discharge of their duties as directors of the Company.

Business relationships

See section 172 disclosures in the Strategic Report.

Energy and carbon reporting

See disclosure "Streamline energy and carbon reporting" in the Strategic Report.

Disclosure of Information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, various matters previously dealt with in the Directors' Report are now included in the Strategic Report.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

Love Productions Limited

Directors' Report *(continued)*

Year ended 31 December 2021

Auditor

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

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

This report was approved by the board of Directors on Aug 26, 2022 and signed on behalf of the board by:

Tanya Richards
Tanya Richards (Aug 26, 2022 25:39 GMT+1)

T C Richards
Director

Love Productions Limited

Independent Auditor's Report to the Members of Love Productions Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of Love Productions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 102 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 group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year 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 group 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 or the parent 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.

Love Productions Limited

Independent Auditor's Report to the Members of Love Productions Limited *(continued)*

Year ended 31 December 2021

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 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 parent company and its 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Love Productions Limited

Independent Auditor's Report to the Members of Love Productions Limited (continued)

Year ended 31 December 2021

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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 parent 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 parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the company's financial statements to material misstatement from irregularities, including fraud and instances of non-compliance with laws and regulations.
- Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing; review of bank letters and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

An auditor conducting an audit in accordance with ISAs (UK) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error and in our audit procedures described above. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

Love Productions Limited

Independent Auditor's Report to the Members of Love Productions Limited *(continued)*

Year ended 31 December 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Love Productions Limited

Independent Auditor's Report to the Members of Love Productions Limited *(continued)*

Year ended 31 December 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Stephen Joberns

Stephen Joberns (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountants & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

9/9/2022

Love Productions Limited
Consolidated Statement of Comprehensive Income
Year ended 31 December 2021

		Year to 31 Dec 21	Period from 1 Jul 19 to 31 Dec 20
	Note	£	£
Turnover	4	58,172,870	85,778,200
Cost of sales		(29,163,707)	(42,207,294)
Gross profit		29,009,163	43,570,906
Administrative expenses		(13,380,617)	(21,599,897)
Other operating income	5	154,245	595,057
Operating profit	6	15,782,791	22,566,066
Other interest receivable and similar income	9	37,618	35,302
Profit before taxation		15,820,409	22,601,368
Tax on profit	10	(2,417,922)	(194,736)
Profit for the financial year		13,402,487	22,406,632
Foreign currency retranslation		(51,018)	74,550
Total comprehensive income for the year		13,351,469	22,481,182

All the activities of the group are from continuing operations.

The notes on pages 21 to 36 form part of these financial statements.

Love Productions Limited
Consolidated Statement of Financial Position
31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	1,298,693	1,647,419
Current assets			
Debtors	14	20,347,538	31,890,631
Cash at bank and in hand		13,919,419	8,394,443
		<u>34,266,957</u>	<u>40,285,074</u>
Creditors: amounts falling due within one year	15	(13,023,126)	(32,741,438)
Net current assets		<u>21,243,831</u>	<u>7,543,636</u>
Total assets less current liabilities		<u>22,542,524</u>	<u>9,191,055</u>
Provisions			
Other provisions	16	(55,000)	(55,000)
Net assets		<u>22,487,524</u>	<u>9,136,055</u>
Capital and reserves			
Called up share capital	21	11,034	11,034
Share premium account	22	114,526	114,526
Foreign currency translation	22	(365,056)	(314,038)
Profit and loss account	22	22,727,020	9,324,533
Shareholders funds		<u>22,487,524</u>	<u>9,136,055</u>

These financial statements were approved by the board of Directors and authorised for issue on Aug 26, 2022..., and are signed on behalf of the board by:

Tanya Richards
Tanya Richards (Aug 26, 2022 15:25 GMT+1)

T C Richards
Director

Company registration number: 05221898

The notes on pages 21 to 36 form part of these financial statements.

Love Productions Limited
Company Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	1,133,185	1,351,816
Investments	13	501	501
		<u>1,133,686</u>	<u>1,352,317</u>
Current assets			
Debtors	14	22,760,123	32,799,285
Cash at bank and in hand		13,904,228	8,188,591
		<u>36,664,351</u>	<u>40,987,876</u>
Creditors: amounts falling due within one year	15	(12,352,683)	(32,164,569)
Net current assets		<u>24,311,668</u>	<u>8,823,307</u>
Total assets less current liabilities		<u>25,445,354</u>	<u>10,175,624</u>
Provisions			
Other provisions	16	(55,000)	(55,000)
Net assets		<u>25,390,354</u>	<u>10,120,624</u>
Capital and reserves			
Called up share capital	21	11,034	11,034
Share premium account	22	114,526	114,526
Profit and loss account	22	25,264,794	9,995,064
Shareholders funds		<u>25,390,354</u>	<u>10,120,624</u>

The profit for the financial year of the parent company was £15,269,730 (2020: £23,116,557).

These financial statements were approved by the board of Directors and authorised for issue on Aug 26, 2022, and are signed on behalf of the board by:

Tanya Richards
Tanya Richards (Aug 26, 2022 15:39 GMT+1)

T C Richards
 Director

Company registration number: 05221898

The notes on pages 21 to 36 form part of these financial statements.

Love Productions Limited
Consolidated Statement of Changes in Equity
Year ended 31 December 2021

	Called up share capital £	Share premium account £	Foreign currency translation £	Profit and loss account £	Total £
At 1 July 2019	11,034	114,526	(388,588)	10,356,339	10,093,311
Profit for the year				22,406,632	22,406,632
Other comprehensive income for the year:					
Foreign currency retranslation			74,550		74,550
Total comprehensive income for the year	–	–	74,550	22,406,632	22,481,182
Dividends paid and payable 11	–	–	–	(23,438,438)	(23,438,438)
Total investments by and distributions to owners	–	–	–	(23,438,438)	(23,438,438)
At 31 December 2020	11,034	114,526	(314,038)	9,324,533	9,136,055
Profit for the year				13,402,487	13,402,487
Other comprehensive income for the year:					
Foreign currency retranslation	–	–	(51,018)	–	(51,018)
Total comprehensive income for the year	–	–	(51,018)	13,402,487	13,351,469
At 31 December 2021	<u>11,034</u>	<u>114,526</u>	<u>(365,056)</u>	<u>22,727,020</u>	<u>22,487,524</u>

The notes on pages 21 to 36 form part of these financial statements.

Love Productions Limited
Company Statement of Changes in Equity
Year ended 31 December 2021

		Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 July 2019		11,034	114,526	10,316,945	10,442,505
Profit for the year				23,116,557	23,116,557
Total comprehensive income for the year		—	—	23,116,557	23,116,557
Dividends paid and payable	11	—	—	(23,438,438)	(23,438,438)
Total investments by and distributions to owners		—	—	(23,438,438)	(23,438,438)
At 31 December 2020		11,034	114,526	9,995,064	10,120,624
Profit for the year				15,269,730	15,269,730
Total comprehensive income for the year		—	—	15,269,730	15,269,730
At 31 December 2021		<u>11,034</u>	<u>114,526</u>	<u>25,264,794</u>	<u>25,390,354</u>

The notes on pages 21 to 36 form part of these financial statements.

Love Productions Limited
Consolidated Statement of Cash Flows
Year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	13,402,487	22,406,632
<i>Adjustments for:</i>		
Depreciation of tangible assets	583,677	1,082,022
Government grant income	(93,429)	(498,643)
Other interest receivable and similar income	(37,618)	(35,302)
Loss on disposal of tangible assets	–	5,473
Tax on profit	2,417,922	194,736
Accruals and deferred income	(1,139,850)	(6,548,138)
Foreign currency movement	(66,950)	160,732
<i>Changes in:</i>		
Trade and other debtors	10,886,259	(14,637,344)
Trade and other creditors	94,653	758,330
Cash generated from operations	26,047,151	2,888,498
Interest received	2,104	35,302
Tax paid	(1,713,368)	(5,687,084)
Net cash from/(used in) operating activities	<u>24,335,887</u>	<u>(2,763,284)</u>
Cash flows from investing activities		
Purchase of tangible assets	(231,225)	(1,284,514)
Net cash used in investing activities	<u>(231,225)</u>	<u>(1,284,514)</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	(18,673,115)	18,943,883
Government grant income	93,429	498,643
Dividends paid	–	(23,438,438)
Net cash used in financing activities	<u>(18,579,686)</u>	<u>(3,995,912)</u>
Net increase/(decrease) in cash and cash equivalents	5,524,976	(8,043,710)
Cash and cash equivalents at beginning of year	8,394,443	16,438,153
Cash and cash equivalents at end of year	<u>13,919,419</u>	<u>8,394,443</u>

The notes on pages 21 to 36 form part of these financial statements.

Love Productions Limited
Notes to the Financial Statements
Year ended 31 December 2021

1. General Information

Love Productions Limited ("the Company") is a private company limited by shares, registered in England and Wales. The address of the registered office is Grant Way, Isleworth, TW7 5QD. The principal place of business is 15 Macklin St, London, WC2B 5NG.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain assets and liabilities as specified in the accounting policies below.

In the prior year the Company changed its year end from 30 June 2020 to 31 December 2020 so as to be in line with the group year end. As such the current year figures are not fully comparable with the prior year figures.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Directors have undertaken a rigorous assessment of whether the Company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts.

The Directors are not aware of any material uncertainty arising from their assessment that would cast doubt on the Company's ability to continue as a going concern.

Disclosure exemptions

The Company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The Company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

Love Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of assets

Non-current assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Where such an event or change of circumstances takes place, then additional impairment may be required for future periods.

Recoverable value of recognised receivables

The recoverability of trade and other receivables is regularly reviewed in the light of available economic information specific to each receivable and provisions are recognised for balances considered to be irrecoverable.

Revenue

Revenue is recognised by reference to percentage completion of the production as set out in the "revenue recognition" policy below and although based on the underlying contracts it does involve a degree of management estimate of the total anticipated costs.

Revenue recognition

Turnover represents the revenue receivable on contracts for the production of television programmes and distribution of programme rights, net of value added tax.

For productions, revenue is recognised based on the stage of completion in accordance with the underlying contract. Where productions are in progress at the year end, and where the amounts invoiced is greater than the value of work carried out the excess is shown as deferred income, where costs incurred exceed amounts invoiced the associated revenue is recognised as accrued income.

Revenues relating to exploitation of programme rights are recognised in accordance with the underlying contract.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Love Productions Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

3. Accounting policies (continued)

Income tax (continued)

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Company

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Group

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates ruling at the balance sheet date. Profit and loss items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transactions are used. Exchange differences arising are taken to the group's foreign currency translation reserve.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- Over the life of the lease
Plant and Machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Equipment	- 33% straight line

Love Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the Company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grant income in respect of the Job Retention Scheme has been recognised in the period to which the employment relates.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Love Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest rate method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

Distributions to equity shareholders

Dividends to the Company shareholders are recognised in the retained earnings when the dividends are paid or approved for payment and no longer at the discretion of the Company.

Love Productions Limited
Notes to the Financial Statements (continued)
Year ended 31 December 2021

4. Turnover

Turnover arises from:

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Television production	46,894,297	69,137,021
Production development	—	(22,610)
Secondary sales	11,283,361	16,635,043
Other production	(4,788)	28,746
	<u>58,172,870</u>	<u>85,778,200</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
United Kingdom	55,360,106	78,125,194
Overseas	2,812,764	7,653,006
	<u>58,172,870</u>	<u>85,778,200</u>

5. Other operating income

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Government grant income	93,429	498,643
Other operating income	60,816	96,414
	<u>154,245</u>	<u>595,057</u>

6. Operating profit

Operating profit or loss is stated after charging:

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Depreciation of tangible assets	583,677	1,082,022
Foreign exchange differences	125,019	—
Audit fee	30,600	19,500
Auditors fees - taxation advisory services	3,300	3,205
Auditors fees - other non-audit services	4,850	4,486
Operating lease charges	<u>1,007,832</u>	<u>1,578,704</u>

Love Productions Limited
Notes to the Financial Statements (continued)
Year ended 31 December 2021

7. Staff costs

Group

The average number of persons employed by the group during the year, including the Directors, amounted to:

	2021	2020
	No.	No.
Production staff	90	92
Administrative staff	50	28
	<u>140</u>	<u>120</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	Year to	Period from
	31 Dec 21	1 Jul 19 to
	£	31 Dec 20
	£	£
Wages and salaries	8,216,026	14,186,831
Social security costs	741,362	1,523,464
Other pension costs	183,823	258,839
	<u>9,141,211</u>	<u>15,969,134</u>

Love Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

7. Staff costs *(continued)*

These costs are incurred for the administrative staff only.

Below are the aggregate payroll costs incurred during the year relating to the production staff.

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Wages and salaries	2,671,017	3,857,939
Social security costs	273,037	121,715
Other pensions costs	31,808	17,863
	<u>2,975,862</u>	<u>3,997,517</u>

Company

The average number of persons employed by the Company during the period, including the Directors, amounted to:

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Production staff	80	79
Administration staff	50	28
	<u>130</u>	<u>107</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Wages and salaries	6,476,731	11,534,679
Social security costs	741,362	1,523,464
Other pension costs	160,279	232,936
	<u>7,378,372</u>	<u>13,291,079</u>

These costs are incurred for the administrative staff only.

Below are the aggregate payroll costs incurred during the year relating to the production staff.

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Wages and salaries	2,671,017	3,857,939
Social security costs	273,037	121,715
Other pension costs	31,808	17,863
	<u>2,975,862</u>	<u>3,997,517</u>

Love Productions Limited
Notes to the Financial Statements (continued)
Year ended 31 December 2021

8. Directors' remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Remuneration	1,166,951	2,381,759
Company contributions to defined contribution pension plans	9,317	38,040
	<u>1,176,268</u>	<u>2,419,799</u>

The number of Directors who accrued benefits under company pension plans was as follows:

	2021 No.	2020 No.
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid Director in respect of qualifying services:

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Aggregate remuneration	591,953	1,196,220
Company contributions to defined contribution pension plans	1,667	10,500
	<u>593,620</u>	<u>1,206,720</u>

9. Other interest receivable and similar income

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Interest on cash and cash equivalents	2,103	35,302
Other interest receivable and similar income	35,515	—
	<u>37,618</u>	<u>35,302</u>

10. Tax on profit

Major components of tax expense

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Current tax:		
UK current tax expense	2,529,595	632,938
Foreign current tax income	5,227	(13,377)
Total current tax	<u>2,534,822</u>	<u>619,561</u>

Love Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

10. Tax on profit *(continued)*

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Deferred tax:		
Origination and reversal of timing differences	(116,900)	(424,825)
Tax on profit	<u>2,417,922</u>	<u>194,736</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	Year to 31 Dec 21 £	Period from 1 Jul 19 to 31 Dec 20 £
Profit on ordinary activities before taxation	15,820,409	22,601,368
Profit on ordinary activities by rate of tax	3,005,878	4,294,260
Adjustment to tax charge in respect of prior periods	-	(1,636,713)
Effect of expenses not deductible for tax purposes	(849,539)	881,577
Effect of capital allowances and depreciation	20,941	53,841
Utilisation of tax losses	(25,192)	(3,178,064)
Unused tax losses	382,734	204,660
Deferred tax movement	(116,900)	(424,825)
Tax on profit	<u>2,417,922</u>	<u>194,736</u>

Effects of future tax rate changes

The standard rate of UK corporation tax is currently 19%. A rate increase to 25% comes into effect from 1 April 2023.

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year) are as below. The dividends in FY 2020 consisted of two dividends amounts of £1,205.26 per share and £918.94 per share.

	2021 £	2020 £
Dividends on equity shares	-	23,438,438

Love Productions Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

12. Tangible assets

Group	Leasehold improve- ments £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 January 2021	1,185,357	920,942	295,687	740,133	3,142,119
Additions	83,350	30,127	36,297	81,451	231,225
Other movements	4,502	2,659	2,041	3,455	12,657
At 31 December 2021	1,273,209	953,728	334,025	825,039	3,386,001
Depreciation					
At 1 January 2021	280,607	518,790	190,597	504,706	1,494,700
Charge for the year	180,621	169,475	61,659	171,922	583,677
Other movements	2,159	2,340	1,355	3,077	8,931
At 31 December 2021	463,387	690,605	253,611	679,705	2,087,308
Carrying amount					
At 31 December 2021	809,822	263,123	80,414	145,334	1,298,693
At 31 December 2020	904,750	402,152	105,090	235,427	1,647,419
Company					
	Leasehold improve- ments £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 January 2021	828,340	710,183	133,872	466,096	2,138,491
Additions	80,632	30,127	36,297	80,160	227,216
At 31 December 2021	908,972	740,310	170,169	546,256	2,365,707
Depreciation					
At 1 January 2021	109,431	333,279	83,197	260,768	786,675
Charge for the year	112,937	163,844	25,744	143,322	445,847
At 31 December 2021	222,368	497,123	108,941	404,090	1,232,522
Carrying amount					
At 31 December 2021	686,604	243,187	61,228	142,166	1,133,185
At 31 December 2020	718,909	376,904	50,675	205,328	1,351,816

Capital commitments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Contracted for but not provided for in the financial statements	—	36,794	—	36,794

13. Investments

The group has no investments.

Love Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

13. Investments *(continued)*

Company	Group under-takings £
Cost	
At 1 January 2021 and 31 December 2021	<u>501</u>
Impairment	
At 1 January 2021 and 31 December 2021	<u>—</u>
Carrying amount	
At 1 January 2021 and 31 December 2021	<u>501</u>
At 31 December 2020	<u>501</u>

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Love Productions USA Inc	Ordinary	100

Love Productions USA Inc is a company incorporated in the US and its principal activity is that of television production. The registered office address is 3415 S Sepulveda Blvd, Ste 1200, Los Angeles, CA90034.

Love Productions USA, Inc owns 100% of the following entities all of which are incorporated in the US and whose principal activity is that of television production:

- Love American Journeys LLC
- Baking Show LLC
- USA Love Development LLC
- Love Baking LLC
- Jet Tracks LLC
- Cotham Hill Productions LLC
- Eagle Street Productions LLC
- Media Core LLC

The registered office address of the above is 3415 S Sepulveda Blvd, Ste 1200, Los Angeles, CA90034.

- Welcome to Hollywood LLC
- International Journeys LLC

The registered office address of the above is 2029 Century Park East, Ste 1750, Los Angeles, CA90067.

Love Productions Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

14. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	8,546,100	19,169,814	7,825,650	18,392,297
Amounts owed by group undertakings	—	—	6,499,389	4,978,953
Deferred tax asset	975,586	846,481	74,678	82,640
Prepayments and accrued income	8,449,463	8,665,654	8,029,361	6,265,672
Corporation tax repayable	2,081,123	2,867,062	2,081,123	2,867,062
Other debtors	295,266	341,620	249,922	212,661
	<u>20,347,538</u>	<u>31,890,631</u>	<u>22,760,123</u>	<u>32,799,285</u>

Trade debtors are non-interest bearing and are repayable in accordance with the terms agreed with the customer.

Amounts owed by group undertakings are non-interest bearing and are repayable on demand.

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax asset	975,586	846,481	74,678	846,481
Other debtors	208,005	207,879	162,661	375,322
	<u>1,183,591</u>	<u>1,054,360</u>	<u>237,339</u>	<u>1,221,803</u>

15. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	403,556	410,692	394,815	376,730
Amounts owed to group undertakings	407,542	19,080,657	407,542	19,080,657
Accruals and deferred income	8,855,792	9,995,642	8,198,139	9,458,058
Social security and other taxes	3,352,187	3,249,124	3,352,187	3,249,124
Other creditors	4,049	5,323	—	—
	<u>13,023,126</u>	<u>32,741,438</u>	<u>12,352,683</u>	<u>32,164,569</u>

Trade creditors are payable in accordance with the terms agreed with the supplier.

Amounts owed to group undertakings are non-interest bearing and are payable on demand.

16. Provisions

Group and company	Dilapidations £
At 1 January 2021 and 31 December 2021	<u>55,000</u>

Love Productions Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Included in debtors (note 14)	<u>975,586</u>	<u>846,481</u>	<u>74,678</u>	<u>82,640</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	18,080	(30,513)	71,423	57,285
Unused tax losses	1,498,796	898,944	–	25,355
Other deferred tax assets	13,627	19,755	3,255	–
Other deferred tax liabilities	<u>(554,917)</u>	<u>(41,705)</u>	<u>–</u>	<u>–</u>
	<u>975,586</u>	<u>846,481</u>	<u>74,678</u>	<u>82,640</u>
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	£	£	£	£
Opening balance	846,481	479,666	82,640	4,836
Movement in period	116,900	424,825	(7,962)	77,804
Foreign exchange translation	12,205	(58,010)	–	–
	<u>975,586</u>	<u>846,481</u>	<u>74,678</u>	<u>82,640</u>

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £215,631 (2020: £276,702).

19. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly				
in income	<u>93,429</u>	<u>498,643</u>	<u>93,429</u>	<u>498,643</u>

The company received Covid-19 government assistance in the form of Job Retention Scheme (JRS) grant income and other assistance such as deferral of VAT payments.

Love Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group 2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost	<u>15,610,322</u>	<u>26,462,213</u>

Financial liabilities measured at amortised cost

	Group 2021 £	2020 £
Financial liabilities measured at amortised cost	<u>8,766,137</u>	<u>28,698,038</u>

21. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary A shares of £1 each	<u>7,724</u>	<u>7,724</u>	<u>7,724</u>	<u>7,724</u>
Ordinary B shares of £1 each	<u>3,310</u>	<u>3,310</u>	<u>3,310</u>	<u>3,310</u>
	<u>11,034</u>	<u>11,034</u>	<u>11,034</u>	<u>11,034</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

22. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Foreign currency translation - This reserve records foreign exchange movement arising on the retranslation of foreign subsidiaries to the functional currency of the company.

23. Analysis of changes in net debt

	At 1 Jan 2021 £	Cash flows £	At 31 Dec 2021 £
Cash at bank and in hand	8,394,443	5,524,976	13,919,419
Debt due within one year	<u>(19,080,657)</u>	<u>18,673,115</u>	<u>(407,542)</u>
	<u>(10,686,214)</u>	<u>24,198,091</u>	<u>13,511,877</u>

Love Productions Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	879,781	1,007,405	477,152	490,543
Later than 1 year and not later than 5 years	618,770	1,484,035	618,770	1,086,421
	<u>1,498,551</u>	<u>2,491,440</u>	<u>1,095,922</u>	<u>1,576,964</u>

25. Related party transactions

Company

The Company is under the control of Sky Ventures Limited by virtue of having ownership of 100% of the issued ordinary share capital in the Company.

No dividends were paid out to Directors during the current year (2020: £3,345,453).

Sky Ventures Limited received £nil dividends from the Company during the year (2020: £16,502,912). At the year end the Company owed £nil (2020: £7,138,438) to Sky Ventures Limited.

During the year Sky UK Limited ("Sky") incurred £12,011,455 (2020: £9,373,362) relating to payroll costs and VAT on behalf of the Company which were re-charged to the Company.

Distribution income totalling £Nil (2020: £337,022) was received from Sky during the year.

As the year end, the Company owed £407,542 (2020: £11,942,219) to Sky.

Key management remuneration during the period was £1,441,079 (2020: £2,419,799).

26. Controlling party

In the opinion of the Directors the immediate parent undertaking is Sky Ventures Limited, a company incorporated in England and Wales. The Company's ultimate parent company and the smallest and largest group in which the results of the Company are consolidated is Comcast Corporation, a company incorporated in the United States of America and registered in Pennsylvania.

The Company operates together with Comcast's other subsidiaries, as part of the Group. Other than Love Production Limited's own group accounts the only group in which the results of the Company are consolidated into is that headed by Comcast Corporation. The consolidated financial statements of Comcast Corporation are available to the public and may be obtained from Company Investor Relations at Comcast Corporation, One Comcast Center, Philadelphia, PA 19013, USA or at <https://www.cmcsa.com/investors>.