

Baby Cow Productions
(Red Dwarf) Ltd
8781830

Company Registration No. 03851811 (England and Wales)

BABY COW PRODUCTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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BABY COW PRODUCTIONS LIMITED

COMPANY INFORMATION

Directors	Steve Coogan Jonathan Merrell Matthew Garside BBC Studios Corporate Services Limited	
Company Secretary	Jackline Ryland	(Appointed 1 December 2020)
Company number	03851811	
Registered office	1 Television Centre 101 Wood Lane London W12 7FA	
Auditor	Ross Bennet-Smith Charles House 5-11 Regent Street St James's London SW1Y 4LR	

BABY COW PRODUCTIONS LIMITED

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BABY COW PRODUCTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for Baby Cow Productions limited (the 'Company') and its subsidiary undertakings (together as the 'Group') for the year ended 31st March 2020.

Fair review of the business

The directors were satisfied with the results for the year, as set out on page 8 – 36, and the Group and Company financial position at the year-end, given the level of project development in the year and the impact of Coronavirus pandemic (COVID-19). Group turnover has decreased in relation to the prior year, movements being due to specific television programme productions.

The directors manage the Group operations on a divisional basis, with the income being generated by individual productions. For this reason, the directors consider that the key performance indicators for the Group are turnover and results before tax. Group activity levels, as reflected in turnover and project pipeline, are considered as part of management's review. The group turnover decreased year on year by 41% to £3,503,856 in the year to 31st March 2020. Loss after tax increased from £497,784 in 2019 to £712,797 in 2020.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group continue to relate to the commissioning of programmes by broadcasters.

On 23rd of March 2020, the UK government announced measures which were introduced to respond to the COVID-19. These included social distancing, which resulted in productions in progress being placed on hold. The directors have plans to produce productions under the social distancing guidelines, which are forecast to generate a lower level of revenue than prior years.

The disruption to productions in progress and lower revenue than expected will affect the liquidity and working capital of the Group. Therefore, the directors have utilised government mitigation programs where available.

Other financial risks, such as credit, price and liquidity risks, can affect companies. Due to the nature of the Group's activities, exposure to these risks is minimal. The Group further minimises such risks via prudent cash management and the use of forecasting.

Business environment and governance

The demand for programme content from broadcasters is high, with new broadcasters playing a larger role in the industry. Since 2016, when BBC Studios Distribution Limited became a person with significant control, the Group has continued to develop new television and film projects.


The management team meet regularly to discuss the progress of the Group and all other matters concerning the governance of the Group and its subsidiaries.

Strategy, future developments and post balance sheet events

The Group and Company strategy for the next twelve months is to produce productions safely under the social distancing guidelines. The effects of COVID-19 impacted the current year results and will impact the next year of trading.

The strategic report, as set out above, was approved by the Board on and signed on its behalf by:

02 December 2020 | 5:03 PM GMT

DocuSigned by:

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.....
Jackline Ryland
Company Secretary

BABY COW PRODUCTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and audited consolidated statements for the Company and the Group and the Group's interest in joint ventures for the year ended 31st March 2020.

Principal activities

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

Directors

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

Stephen Coogan

Jonathan Merrell

Christine Langan

Matthew Garside

(Resigned 23 October 2020)

BBC Studios Corporate Services Limited

On 1 December 2020 Anthony Corriette resigned as Company Secretary and Jackline Ryland was appointed on the same date.

Strategic Report

A review of the business performance, including likely future developments, is included in the Strategic Report on page 1. The management of the business and the execution of the Group's strategy are subject to a number of risks and uncertainties affecting the Group are discussed on page 1.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends amounting to £nil (2019: £nil) were payable during the year. The directors do not recommend payment of a final dividend.

Acquisitions

There were no major acquisitions in the year.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the business has adequate resources to continue in the operational existence for the foreseeable future, and accordingly the going concern basis continues to be adopted in the preparation of the accounts.

Financial instruments and risk management

Information on the use of financial instruments by the Group is disclosed in note 1 to the financial statements. Exposure to and management of principal risks are disclosed in the strategic report.

Research and development

The Company develops projects for television and, where certain criteria are met as disclosed in the notes to the financial statements, capitalises and amortises such development costs. Where the outcome of projects does not meet the criteria for capitalisation, under international financial reporting standards, development costs are expensed or provided against where previously capitalised.

Future developments

The Company intends to continue developing new television and film projects.

BABY COW PRODUCTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Auditor

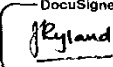
The auditors, Ross Bennet Smith, are deemed reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

02 December 2020 | 5:03 PM GMT

The Directors' report, as set out above, was approved by the Board on..... and signed on its behalf by:

DocuSigned by:

D328DBC3FECB4F7

.....
Jackline Ryland
Company Secretary

BABY COW PRODUCTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under the law they have elected to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company, and of the profit or loss of the Group for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

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

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

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

BABY COW PRODUCTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

Opinion

We have audited the financial statements of Baby Cow Productions Limited and its subsidiaries for the year ended 31 March 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting standards (IFRSs), as adopted by the European Union, including FRS 101 "Reduced Disclosure Framework".

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the parent Company's affairs as at 31 March 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Company financial statement have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework", and
- 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. Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included consideration of the ultimate parent company's willingness and ability to continue to fund the Group and Company funding the twelve months from the date of approval of the financial statements.

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 and Company's 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.

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.

BABY COW PRODUCTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

BABY COW PRODUCTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

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

As part of an audit in accordance with ISAs (UK), we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 financial 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 and Baby Cow Productions Limited's internal controls.
- Obtain an understanding of the legal and regulatory framework in which the Group operates, focusing on the laws and regulations that had a direct effect on the financial statements or that have a fundamental effect on the operations of the Group.

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

DocuSigned by:
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James Sansom (Senior Statutory Auditor)
For and on behalf of Ross Bennet-Smith

Chartered Accountants
Statutory Auditors

04 December 2020 | 4:27 PM GMT

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

BABY COW PRODUCTIONS LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	As restated* 2019 £
Revenue	3	3,503,856	5,931,070
Cost of sales		(2,969,565)	(4,449,882)
Gross Profit		534,291	1,481,188
Other operating income	3	667,350	-
Costs associated with other operating income		(667,350)	-
Administrative expenses		(1,902,121)	(2,423,193)
Operating loss	4	(1,367,830)	(942,005)
Investment income	8	839	6,521
Finance costs	9	(7,496)	(8,655)
Loss before taxation		(1,374,487)	(944,139)
Taxation credit for the year	10	661,690	446,355
Loss for the financial year		(712,797)	(497,784)

Loss for the financial year is all attributable to the owners of the parent Company.

*The comparative information has been restated, refer to note 34 for more detail.

BABY COW PRODUCTIONS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Loss for the year	(712,797)	(497,784)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	<u>(712,797)</u>	<u>(497,784)</u>

Total comprehensive income for the year is all attributable to the owners of the parent Company.

BABY COW PRODUCTIONS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	£	2020 £	£	As restated* 2019 £
Fixed assets					
Intangible assets	12		106,095		83,327
Property, plant and equipment	13		228,540		26,547
			<u>334,635</u>		<u>109,874</u>
Current assets					
Work in progress	18	462,983		82,488	
Trade and other receivables	19	1,516,785		1,699,692	
Cash and cash equivalents		1,931,100		540,740	
			<u>3,910,868</u>	<u>2,322,920</u>	
Current liabilities	21	(3,624,896)		(2,636,126)	
			<u>285,972</u>	<u>(313,206)</u>	
Net current assets / (liabilities)					
			<u>620,607</u>	<u>(203,332)</u>	
Total assets less current liabilities					
Non-current liabilities	23		(1,636,736)		(100,000)
			<u>(1,016,129)</u>	<u>(303,332)</u>	
Net (liabilities)/assets					
Called up share capital	24		96		96
Share premium account	25		199,912		199,912
Retained earnings	32		(1,216,137)		(503,340)
			<u>(1,016,129)</u>	<u>(303,332)</u>	
Total equity					
			<u>(1,016,129)</u>	<u>(303,332)</u>	

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

02 December 2020 | 5:00 PM GMT

DocuSigned by:

7D4E123FD08D41D.....
Jonathan Merrell
 Director

*The comparative information has been restated, refer to note 34 for more detail.

BABY COW PRODUCTIONS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	£	2020 £	£	As restated* 2019 £
Fixed assets					
Intangible assets	12		20,000		33,500
Property, plant and equipment	13		228,540		26,093
Investments	14		8		7
			<u>248,548</u>		<u>59,600</u>
Current assets					
Work in progress	18	67,344		82,488	
Trade and other receivables	19	619,403		1,714,569	
Cash and cash equivalents		1,465,543		433,606	
			<u>2,152,290</u>	<u>2,230,663</u>	
Current liabilities	21	(2,839,258)		(2,552,453)	
			<u>(686,968)</u>		<u>(321,790)</u>
Net current assets / (liabilities)					
			<u>(438,420)</u>		<u>(262,190)</u>
Total assets less current liabilities					
Non-current liabilities	23	(659,336)			(100,000)
			<u>(1,097,756)</u>		<u>(362,190)</u>
Net (liabilities)/assets					
			<u>(1,097,756)</u>		<u>(362,190)</u>
Equity					
Called up share capital	24		96		96
Share premium account	25		199,912		199,912
Retained earnings	32		(1,297,764)		(562,198)
			<u>(1,097,756)</u>		<u>(362,190)</u>
Total equity					
			<u>(1,097,756)</u>		<u>(362,190)</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's loss for the year was £735,566 (2019: £1,079,097).

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

02 December 2020 | 5:00 PM GMT

DocuSigned by:

 704E123FD08D41D
Jonathan Merrell
 Director

Company Registration No. 03851811

*The comparative information has been restated, refer to note 34 for more detail.

BABY COW PRODUCTIONS LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Share Capital £	Share premium account £	Retained earnings £	Total £
As restated for the year ended 31 March 2019:					
Balance at 1 April 2018		90	199,912	(5,556)	194,446
Year ended 31 March 2019					
Loss and total comprehensive income					
For the year		-	-	(497,784)	(497,784)
Dividends		-	-	-	-
Share Issue	24	6	-	-	6
Balance at 31 March 2019		96	199,912	(503,340)	(303,332)
Year ended 31 March 2020					
Loss and total comprehensive income					
For the year				(712,797)	(712,797)
Dividends		-	-	-	-
Balance at 31 March 2020		96	199,912	(1,216,137)	(1,016,129)

BABY COW PRODUCTIONS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share Capital £	Share premium account £	Retained earnings £	Total £
As restated for the year ended 31 March 2019:					
Balance at 1 April 2018		90	199,912	516,899	716,901
Loss and total comprehensive income For the year		-	-	(1,079,097)	(1,079,097)
Dividends		-	-	-	-
Share Issue	24	6	-	-	6
Balance at 31 March 2019		96	199,912	(562,198)	(362,190)
Year ended 31 March 2020					
Loss and total comprehensive income For the year				(735,566)	(735,566)
Dividends		-	-	-	-
Balance at 31 March 2020		96	199,912	(1,297,764)	(1,097,756)

BABY COW PRODUCTIONS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	£	2020 £	£	As restated 2019 £
Cash flows from operating activities					
Cash generated / (absorbed) by operations	31		(194,813)		(1,662,622)
Interest paid			(7,496)		(8,655)
Income taxes (paid)/refunded			641,472		-
Net cash inflow/(outflow) from operating			439,163		(1,671,277)
Investing activities					
Acquisition of subsidiary, net of cash acquired		176,120		-	
Purchase of intangible assets		(156,848)		(97,725)	
Proceeds on disposal of intangible assets		147,550		50,182	
Interest received		839		6,521	
Net cash used in investing activities			167,661		(41,022)
Financing activities					
Borrowings		950,000		400,000	
Share Issue		-		6	
Repayment of lease liabilities		(166,464)		-	
Net cash used in financing activities			783,536		400,006
Net increase/(decrease) in cash and cash equivalents			1,390,360		(1,312,293)
Cash and cash equivalents at beginning of year			540,740		1,853,033
Cash and cash equivalents at end of year			1,931,100		540,740

Cash and cash equivalents is comprised entirely of cash at banks and on hand.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Baby Cow Production Limited (the "Company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1 Television Centre, 101 Wood Lane, London, W12 7FA.

The Group consists of Baby Cow Productions Limited (the "Group"), all of its subsidiaries and the Groups interests in joint ventures.

1.1 Accounting convention

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), the Companies Act 2006 and Article 4 of the EU International Accounting Standards Regulations, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except otherwise stated).

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

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

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

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of the second sentence of paragraphs 110, 113 (a), 114, 115, 118,119 (a) to (c), 120 to 127 and 129 of IFRS15 'Revenue from contracts with customers'.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

The Group adopted all latest applicable standards. The Group has not adopted standards in issue but not yet in effect.

Adoption of new and revised standard

IFRS 16 replaced IAS17 Leases. This new standard requires the Group to recognise an asset to represent the right to use the leased item and a liability to represent the future lease payments. This also means that in future, lease costs will be accounted for as depreciation and interest. The Group has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated and continues to be reported under IAS17. The Financial impact on the year has been reflected in note 2.1.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1.2 Basis of consolidation

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

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

All financial statements are made up to 31 March. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

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

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

1.3 Joint ventures

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

1.4 Going Concern

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

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1.5 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Revenue is recognised when the significant transfer of risks and rewards has occurred.

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

Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS15 to meet 'over time' recognition. The default category, if none of these criteria are met is 'point in time' recognition. Refer to the company's revenue streams below for which category the revenue recognition generally meets.

The company's main source of contract revenue are recognised as follows:

Production fees, production funding and royalties from product sales are recognised as earned. Production fees were previously recognised on programme delivery or stage of completeness. The policy is now solely on the delivery of performance obligations, to be in line with Group policies. The financial impact of this change on the results is £nil.

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

1.6 Intangible fixed assets

Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. It is initially recognised as an asset at cost and reviewed annually for impairment. Goodwill is carried at cost less impairment losses.

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

Intangible assets other than goodwill

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied that it meets the criteria of IAS 38, as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised and amortised over the period during which the Company is expected to benefit. This is assessed on a project by project basis, when a project reaches completion, and the amortisation period would be 10 years or less on a straight line basis.

1.7 Property, plant and equipment

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

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

Office equipment	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis

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

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1.8 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the Company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent Company financial statements investment in associates are accounted for at cost less impairment.

Entities in which the Group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of tangible and intangible assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1.10 Cash and cash equivalents

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 Group after deducting all of its liabilities.

1.11 Financial instruments

Financial instruments are recognised in the Consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value less and directly attributed costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are derecognised from the balance sheet when the Group's contractual rights to the cash flows expire or the Group transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Group's balance sheet when the obligation specified in the contract discharged, cancelled or expires.

Fair value measurement of financial instruments

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards. 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 Group after deducting all of its liabilities.

Classification and measurement

Financial assets and liabilities are classified into the following categories specified by IFRS 9 Financial Instruments Recognition and Measurement.

- Loans and receivables - Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.
- Available for sale financial assets - are either shares stated at fair value that are traded in an active market or which a fair value can otherwise be reliably measured, or stated at cost where an equity instrument is not reliably measurable. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in the income statement.
- Held to maturity investments - the Group does not currently carry any financial instruments classified as held to maturity. Such instruments might include bills of exchange and debentures with fixed or determinable payments and fixed maturity dates and would be measured at amortised cost using the effective interest method less any impairment.
- Financial assets /liabilities at fair value through profit or loss ("FVTPL") - Assets and liabilities which are held for trading. An asset or liability is classified as held for trading if (i) it has been acquired principally for the purpose of selling or repurchasing in the near term, or (ii) on initial recognition it is a part of a portfolio of identifies financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking, or (iii) it is a derivative that is not designated and effective as a hedging instrument. Financial assets and liabilities at FVTPL are stated at fair value, with any gains and losses arising on re-measurement recognised in the income statement.
- Other financial liabilities - financial liabilities, including trade payables and borrowings, which are not classified as financial liabilities at FVTPL are measured at amortised cost using the effective interest method, with interest expense recognised on effective yield basis.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Effective interest method

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity,

Other financial liabilities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in financial costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are presented as non-current assets or liabilities if the date of maturity of the instrument is more than twelve months after the balance sheet date. Other derivatives are presented as current assets or current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

1.12 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1.13 Taxation

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

Current tax

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

Deferred tax

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

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

1.14 Employee benefits

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

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

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

1.15 Leases

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

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

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

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

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1.15 Leases (cont'd)

The lease liability is presented as a separate line in the notes of the consolidated statement of financial position. Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method.

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

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

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

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

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

The right-of-use assets are depreciated over the shorter of the asset's remaining term of the lease or over the remaining economic life on a straight-line basis. The amortised periods for the right-of-use asset is as follows:

Right of use for the office building	2.5 years
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When The Group revises its estimate of the term of any lease it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Short-term leases are leases with a term of 12 months or less.
Low-value assets comprises office copier and small storage box.

1.16 Stocks

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

2. Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting assumptions, and requires management to exercise its judgement and to make estimates in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below;

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. Critical accounting estimates and judgements (Cont)

Basis of consolidation

Judgement is required in determining whether certain entities in which the Group has an economic interest should be considered to be subsidiaries, associates or joint ventures. In such circumstances, the Group has assessed its ability to control or influence those entities. The Group controls and investee if, and only if, the Group has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee), exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns, in these cases the investee is treated as a subsidiary. Where such policies are reserved such that an economic partner has the power to veto key strategic financial and operating decisions, the entity is considered to be a joint venture or associated undertaking.

Development costs

Development projects are assessed at the end of the financial period to judge whether each project meets the criteria for capitalisation, as referred to in the accounting policy notes, and to consider whether the capitalised values have been impaired. Balances include project costs incurred and impairment provision is made where considered relevant, in line with the impairment policy note.

Revenue recognition

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

2.1 Changes in Accounting policies

Except for the changes below, or as noted elsewhere, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements

IFRS 16 Leases

The group has adopted IFRS 16 with a date of initial application of 1 April 2019, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. It replaces IAS17 leases.

The Group has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated and continues to be reported under IAS17.

The Group decided to apply the recognition exemption to short-term leases of copiers and storage (see Note 1.15). For the lease of the office building, which was classified as operating under IAS17, the Group recognised right-of-use asset and lease liability.

At transition, lease liabilities were measured at present value of the remaining lease payments, discounted at the Group's internal borrowing rate as at 1 April 2019. Right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying IFRS16 to leases previously classified as operating leases under IAS17.

- Applied a single discount rate to a portfolio of leases with similar characteristics
- Adjusted the right-of-use assets by the amount of IAS37 onerous contract provision immediately before the date of initial application, as an alternative to impairment review.
- Applied the exemption not to recognise right-to-use assets and liabilities with a lease with less than 12 months
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2.1 Changes in Accounting policies (cont)

On transition to IFRS 16, the Group recognised an additional £349,061 of right-of-use asset and £349,061 of lease liabilities.

When measuring the lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 31 March 2019. The weighted-average rate applied is 1.3%.

	£
Operating lease commitment at 1 April 2019 as previously disclosed	839,340
Discounted using the incremental borrowing rate at 1 April 2019	806,775
Termination options reasonably certain to be exercised	(457,714)
Lease liabilities recognised at 1 April 2019	<u>349,061</u>

3. Revenue

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

	2020 £	2019 £
Revenue analysed by class of business		
Production	2,458,581	4,149,310
Distribution	1,045,275	1,781,760
	<u>3,503,856</u>	<u>5,931,070</u>

Other operating income relates to an insurance claim for additional production costs incurred as a result of a production being delayed due to illness.

4. Operating loss

Operating loss for the year is stated after charging:

	2020 £	2019 £
Research and development costs	58,452	98,587
Depreciation of owned property, plant and equipment	6,523	8,850
Depreciation of right-of-use lease asset	140,091	-
Impairment of intangible assets	-	283,433
Operating lease charges	-	139,890
	<u></u>	<u></u>

BABY COW PRODUCTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2020**

5. Auditor's remuneration	2020 £	2019 £
Fees payable to the Company's auditor and associates:		
For audit services		
Audit of the financial statement of the Group and company	9,000	9,000
For other services		
Taxation compliance services	3,800	7,450
All other non-audit services	28,800	24,550
	<u>32,600</u>	<u>32,000</u>

- 6. Employees**
The average monthly number of persons (including directors) by the Group and Company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Directors	5	5	5	5
Production	11	8	7	7
Admin	6	6	6	6
	<u>22</u>	<u>19</u>	<u>18</u>	<u>18</u>

The aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	1,378,066	1,283,310	1,216,204	1,258,613
Social security costs	170,205	159,335	152,018	156,563
Pension costs defined contribution	15,121	-	15,121	-
	<u>1,563,392</u>	<u>1,442,645</u>	<u>1,383,343</u>	<u>1,415,315</u>

7. Director's remuneration	2020 £	2019 £
Emoluments	<u>483,974</u>	<u>474,934</u>

The remuneration of the highest paid director during the year was £350,329 (2019: £343,910). Employer pension defined contributions were £2,632. The directors are also the key management personnel.

BABY COW PRODUCTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2020****8. Investment income**

	2020 £	2019 £
Interest income		
Interest on bank deposits	839	6,521
	<u>839</u>	<u>6,521</u>
Total income	<u>839</u>	<u>6,521</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss:	<u>839</u>	<u>6,521</u>

9. Finance costs

	2020 £	2019 £
Other finance costs:		
Other interest	3,966	8,655
Lease interest	3,530	-
	<u>7,496</u>	<u>8,655</u>

10. Taxation

	2020 £	2019 £
Current tax		
Tax credits	(661,690)	(446,355)
Total current tax	<u>(661,690)</u>	<u>(446,355)</u>

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

	2020 £	2019 £
Loss before taxation	<u>(1,374,487)</u>	<u>(944,139)</u>
Expected tax (credit)/charge based on the standard rate of corporation tax In the UK of 19.00% (2019 19.00%)	(261,153)	(179,386)
Unutilised tax losses carried forward	261,153	179,386
Tax credits	<u>(661,690)</u>	<u>(446,355)</u>
Tax credit for the year	<u>(661,690)</u>	<u>(446,355)</u>
Tax credit in the financial statements	<u>(661,690)</u>	<u>(446,355)</u>

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

11. Acquisition

On 23 July 2019 the group acquired additional shareholding in Philomena Lee Limited, a film company which was previously a joint venture of the group. Philomena Lee Limited owns 100% shareholding in Lost Child Limited, a film company.

The shares were purchased for Nil consideration. Since acquisition, Philomena Lee Limited and Lost Child Limited have recognised revenue of £39,621 and loss of £2,472.

Net assets acquired on date of acquisition

	Book value	Fair value Adjustment	Fair value
	£	£	£
Cash and cash equivalents	176,120	-	176,120
Other assets	5,793	-	5,793
Other liabilities	(195,383)	-	(195,383)
Total net liabilities acquired	(13,470)	-	(13,470)
Goodwill on acquisition			13,470
Total value of acquisition			-

12. Intangible fixed assets

Group	Development costs	Goodwill	Total
	£	£	£
Cost			
At 1 April 2019	83,327	-	83,327
Additions – separately acquired	156,848	-	156,848
Acquired through business combinations	-	13,470	13,470
Disposals	(147,550)	-	(147,550)
At 31 March 2020	92,625	13,470	106,095
Amortisation and impairment			
At 1 April 2019 and 31 March 2020	-	-	-
Carrying amount			
At 31 st March 2020	92,625	13,470	106,095
At 31 st March 2019	83,327	-	83,327

During the year £58,452 (2019: £98,587) of research and development expenditure was recognised as an expense.

At 31st March 2020, the Group had no contractual commitments for the acquisition of the intangible assets (2019: £nil).

The goodwill acquired through business combination relates to the acquisition of Philomena Lee Limited and Lost Child Limited ref to note 11 or more detail

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

12. Intangible fixed assets (cont)	Development costs
Company	£
Cost	
At 1 April 2019	33,500
Additions – separately acquired	20,000
Disposals	(33,500)
At 31 March 2020	20,000
Amortisation and impairment	
At 1 April 2019 and 31 March 2020	-
Carrying amount	
At 31 st March 2020	20,000
At 31 st March 2019	33,500

13. Property, plant and equipment

Group	Right-of-use asset £	Office Equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2019		178,428	33,045	211,473
Additions	349,061	-	-	349,061
Disposal	-	-	(1,161)	(1,161)
At 31 st March 2020	349,061	178,428	31,430	558,919
Depreciation and Impairment				
At 1 April 2019	-	161,433	23,493	184,926
Depreciation charged in the year	140,091	4,249	2,274	146,614
Disposal	-	-	(1,161)	(1,161)
At 31 st March 2020	140,091	165,682	24,606	330,379
Carrying amount				
At 31 st March 2020	208,970	12,746	6,824	228,540
At 31 st March 2019	-	16,995	9,552	26,547

At 31 March 2020, the Group had no contractual commitments for the acquisition of the property, plant and equipment (2019: £nil).

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

13. Property, plant and equipment (cont)

The Group is a lessee for one lease, the right-of-use asset presented in the note is a lease for offices.

Company	Right-of-use asset £	Office Equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2019	-	178,428	31,430	209,858
Additions	349,061	-	-	349,061
At 31 st March 2020	349,061	178,428	31,430	558,919
Depreciation and Impairment				
At 1 April 2019		161,433	22,332	183,765
Depreciation charged in the year	140,091	4,249	2,274	146,614
At 31 st March 2020	140,091	165,682	24,606	330,379
Carrying amount				
At 31 st March 2020	208,970	12,746	6,824	228,540
At 31 st March 2019		16,995	9,098	26,093

14. Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	8	5
Investments in joint ventures	16	-	-	-	2
		-	-	8	7

The Company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements are not less than their fair values.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14. Fixed asset investments (cont'd)

Movements in non-current investments Company	Shares in Group Undertakings and Participating Interests
	£
Cost or valuation	
At 1 April 2019	7
Additions	1
At 31 March 2020	<u>8</u>
Impairment	
At 1 April 2019 and 31 March 2020	<u>-</u>
Carrying amount	
At 31 st March 2020	<u>8</u>
At 31 st March 2019	<u>7</u>

On 25 February 2020 Baby Cow Films (Zoe) Limited was dissolved, the investment had been impaired in the prior year accounts in anticipation of this.

On 12 September 2019 Baby Cow Productions (Witchfinder) Limited was incorporated.

The group previously held a 50% share in Philomena Lee Limited, a joint venture in a film Production company, and on the 23 July 2019 purchased the remaining 50% shareholding, resulting in it being a 100% wholly owned subsidiary. Philomena Lee Limited holds 100% shareholding in Lost Child Limited, which also resulted in being a 100% wholly owned subsidiary.

BABY COW PRODUCTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****15** Details of the Company's subsidiaries at 31 March 2020 are as follows:-

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

*Held by a subsidiary undertaking

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

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

16. Details of joint ventures at 31 March 2020 are as follows:

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

The Group's share of joint ventures net results and net liabilities have been included at £nil (2019: £nil)

BABY COW PRODUCTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****17 Financial instruments**

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	711,695	1,001,392	517,144	1,568,749
Carrying amount of financial liabilities				
Measured at amortised cost	3,259,878	1,884,348	2,575,898	1,867,715

18 Work in progress

	Group 2020 £	As restated 2019 £	Company 2020 £	As restated 2019 £
Production costs	462,983	82,488	67,344	82,488

19 Trade and other receivables

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade receivables	131,978	36,888	119,515	72,786
Amounts due from Group undertakings	-	-	294,262	864,928
Amounts due from Parent	-	846,256	-	619,800
Amounts due from connected party	-	9,000	-	9,000
Other receivables	579,717	109,248	103,367	91,227
Current tax recoverable	666,912	641,472	-	-
Prepayments and accrued income	138,178	56,828	102,259	56,828
	1,516,785	1,699,692	619,403	1,714,569

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

20 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Loan from parent	1,350,000	300,000	500,000	300,000
Amounts falling due greater than one year:				
Loan from parent	-	100,000	-	100,000
	1,350,000	400,000	500,000	400,000

BABY COW PRODUCTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020**

21	Current liabilities	Notes	Group 2020 £	As restated 2019 £	Company 2020 £	As restated 2019 £
	Trade payables		733,011	640,956	643,408	637,660
	Other taxation and social security		193,968	231,600	151,568	199,738
	Deferred income	22	59,259	589,000	54,209	585,000
	Loan from parent		1,350,000	300,000	500,000	300,000
	Amounts owed to Group undertakings		-	-	486,721	-
	Dividends payable		504,037	504,037	504,037	504,037
	Other payables		331,393	130,623	113,990	96,871
	Accruals		341,437	239,910	273,534	229,147
	Lease liability		111,791	-	111,791	-
			<u>3,624,896</u>	<u>2,636,126</u>	<u>2,839,258</u>	<u>2,552,453</u>

22	Deferred income	Group 2020 £	2019 £	Company 2020 £	2019 £
	Arising from production income	1,621,659	589,000	639,209	585,000

Analysis of deferred revenue

Deferred revenues are expected to be settled after 12 months. This is due to the impact of the COVID-19 and social distancing guidelines.

23.	Non-Current Liabilities	Group 2020 £	2019 £	Company 2020 £	2019 £
	Deferred income	1,562,400	-	585,000	-
	Loan from parent	-	100,000	-	100,000
	Lease liability	74,336	-	74,336	-
		<u>1,636,736</u>	<u>100,000</u>	<u>659,336</u>	<u>100,000</u>

24.	Share capital	2020 £	2019 £
	Ordinary share capital		
	Issued and fully paid		
	2,256 Ordinary shares of 1p each	22	22
	6,768 Ordinary 'A' shares of 1p each	68	68
	600 Ordinary 'B' shares of 1p each	6	6
		<u>96</u>	<u>96</u>

The Company does not specify authorised share capital.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

25. Share premium account

	2020	2019
	£	£
At 1 April 2019 and 31 March 2020	199,912	199,912

26. Lease

Lessee

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

Lease liability

	2020
	£
Contractual undiscounted cash flows	
Within one year	150,000
Between two and five years	37,917
Total undiscounted lease liability at 31 March 2020	187,917
Lease liabilities included in financial statement position at 31 March 2020	
Within one year	111,791
Between two and five years	74,336
Total lease liability at 31 March 2020	186,127

Amounts recognised in profit and loss

Interest on lease liability	3,530
Expenses relating to leases of low -value assets	6,963

Amounts recognised in the statement of cash flow

Total cash outflow for leases	166,464
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BABY COW PRODUCTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****27. Risk management**

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

28. Related party transactions

During the year, the Company received income totalling £1,203,492 (2019: £3,218,845) from BBC Studios Distribution Limited, the immediate parent Company. There was £nil (2019: £846,256) outstanding at the year end. Loans received from the parent company, totalling £1,350,000 have been made at market rates.

During the year, the Company received income totally £133,220 from CH Podcasts Limited, a company owned by a director and shareholder. There was £nil outstanding at year end.

During the year the Company paid expenses of £5,300 (2019: £9,000) on behalf of Philomena Lee Limited a joint venture of the company, this was still outstanding at the year end. At the year end the amount outstanding was £14,300 (2019: £5,300)

29. Directors' transactions

During the year £65,191 (2019: £30,666) of expenses were paid by the directors on behalf of the Company and £36,607 (2019: £51,347) of expenses were paid by the Company on behalf of the directors. At the year end the directors loan accounts were in a debit position of £41,570 (2019: £12,987).

30. Controlling party

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

The ultimate controlling party is the British Broadcasting Corporation (BBC) which is incorporated in the United Kingdom by Royal Charter. The largest Group which the results of the Company are consolidated is that headed by the BBC. The smallest Group in which they are consolidated is that headed by BBC Commercial Holdings Limited. The accounts of BBC Commercial Holdings Limited may be obtained at <https://beta.companieshouse.gov.uk/company>

31. Cash generated from Group operations

	2020	2019
	£	£
Loss for the year after tax	(712,797)	(497,784)
Adjustments for:		
Taxation credited	(661,690)	(446,355)
Finance costs	7,496	8,655
Investment income	(839)	(6,521)
Amortisation and impairment of intangible assets	-	283,433
Depreciation and impairment of property, plant and equipment	6,523	8,850
Depreciation of right-of-use lease asset	140,091	-
Loss on sale of asset	454	-
Movements in working capital:		
Decrease/(increase) in trade and other receivables	194,047	(162,314)
Decrease/(increase) in work in progress	(380,495)	(82,488)
Increase/(decrease) in trade and other payables	179,738	(15,656)
Increase/(decrease) in deferred income	1,032,659	(752,442)
Cash (absorbed by)/generated from operations	(194,813)	(1,662,622)

BABY COW PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

32. Reserves

Share premium account includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The Profit & Loss Account reserve reflects accumulated retained historic profits and losses.

33. Contingent assets and liabilities

The Group has made an insurance claim of £667,350 for additional costs incurred in a production during the year. The Group has received £200,000 of the claim from the insurers. The directors are of the opinion that the remaining £467,350 will be received within 12 months, once the formal claim documentation has been submitted and amount agreed. This amount has been recognised in these accounts.

34. Prior year adjustment

During 2020, the company discovered that production funding and costs for one production had been incorrectly accounted for under IFRS15 in the prior year. As a consequence, work in progress and deferred income were understated.

A prior year adjustment has been made in this respect as follows:

Group 31 March 2019	Impact of correction of error		
	As previously reported	Adjustments	As restated
Revenue	6,013,558	(82,488)	5,931,070
Cost of sales	(4,532,370)	82,488	(4,449,882)
Work in progress	-	82,488	82,488
Deferred income	(506,512)	(82,488)	(589,000)

The same adjustment arose in the company.