

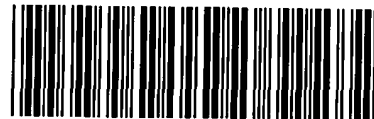
Registered number 05094691

# Aurora Media Worldwide UK Limited

Annual Report and Financial Statements

for the year to 31 December 2020

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# **Aurora Media Worldwide UK Limited**

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## **Aurora Media Worldwide UK Limited**

### **Company information**

<b>Directors</b>	L Duffy N Duncanson V Turton S Brown
<b>Secretary</b>	A McMullen
<b>Registered office</b>	Berkshire House 168-173 High Holborn London WC1V 7AA
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

## **Aurora Media Worldwide UK Limited**

### **Strategic Report for the year ended 31 December 2020**

The directors present their Strategic Report for the year ended 31 December 2020.

#### **Principal activities and review of the business**

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

The profit for the year amounted to £25,415 (2019: £823,980). Results were driven by re-commissions of existing programming but were impacted by the timing of events and related productions due to the COVID 19 pandemic.

As at 31 December 2020, shareholders' funds total £414,025 (2019: £888,610).

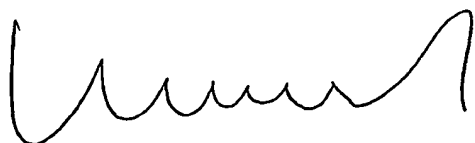
#### **Principal risks and uncertainties**

The key business risks and uncertainties affecting the Company relate to the general economic environment, competition from other distributors of television programmes and the success of the Company's programming available for worldwide distribution. Further discussion of these risks and uncertainties, in the context of the DLG Acquisitions Limited (the "group") as a whole, is provided in the group's financial statements which do not form part of this report.

#### **Key performance indicators ("KPIs")**

The directors of DLG Acquisitions Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Aurora Media Worldwide UK Limited. The development, performance and position of DLG Acquisitions Limited group, which includes the company, are discussed in the group's financial statements which do not form part of this report.

Approved by the Board on 22 October 2021 and signed on behalf of the board by:



Victoria Jane Turton  
Director

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

## **Aurora Media Worldwide UK Limited**

### **Directors' report for the period ended 31 December 2020**

The directors present their report and the audited financial statements for the year to 31 December 2020.

#### **Future Outlook**

The commercial environment in which the company operates remains competitive, but the directors believe that the company's position as one of the leading producers of television programmes will enable it to maintain its current position in the future.

The COVID-19 pandemic and attempts to contain it have created significant volatility, uncertainty and economic disruption to the industry as a whole. During the financial year production was significantly disrupted and workforces have been required to work from home or otherwise change their "normal" working practices.

During this unprecedented time the directors recognise the versatility, creativity and resilience of the television industry and the company will continue to be creative and resourceful with adapting to new ways of working in order to deliver programmes to broadcasters where possible.

#### **Dividends**

The directors paid a £500,000 dividend in the period (2019: nil)

#### **Financial Risk Management**

Through its trading activities the Company is exposed to certain levels of credit, currency and liquidity risk.

The company's credit risk is primarily attributable to trade receivables. Trade receivables are managed through the assessment of the credit risk of current and potential customers and ongoing review and collection of outstanding receivables.

During production the company may enter into transactions that are denominated in currencies other than its functional currency and therefore can be exposed to movements in foreign currency exchange rates. Where exchange rates change between reporting periods, fluctuations in the reported results of the company's operations may arise. There was no significant exposure in the year, but where appropriate the company will open currency specific bank facilities and forward currency contracts to manage exposure to movements in foreign currency exchange rates.

Liquidity risk is monitored on an ongoing basis as part of the company's day to day control activities and through periodic financial reviews and forecast exercises with action taken as considered necessary.

#### **Directors of the company**

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

L Duffy  
N Duncanson  
S Brown  
V Turton

The Company maintains liability insurance for its directors and officers.

## **Aurora Media Worldwide UK Limited**

### **Directors' report for the period ended 31 December 2020 (continued)**

#### **Statement of directors' responsibilities in respect of the financial statements**

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

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

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

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

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

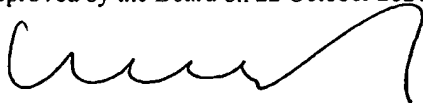
#### **Directors' confirmations**

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

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the Board on 22 October 2021 and signed on behalf of the board by:



Victoria Jane Turton  
Director

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

## **Aurora Media Worldwide UK Limited**

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

#### **Report on the audit of the financial statements**

##### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

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

##### **Independence**

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

##### **Conclusions relating to going concern**

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 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.

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.

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

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

## **Aurora Media Worldwide UK Limited**

### **Independent auditors' report to the members of Aurora Media Worldwide UK Limited (continued)**

#### **Reporting on other information**

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

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

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

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



## **Aurora Media Worldwide UK Limited**

### **Independent auditors' report to the members of Aurora Media Worldwide UK Limited (continued)**

#### **Auditors' responsibilities for the audit of the financial statements**

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

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation,
- Evaluating management's controls designed to prevent and detect irregularities,
- Identifying and testing journals, in particular journal entries posted with unusual account combinations,
- Challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

#### **Use of this report**

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

## **Aurora Media Worldwide UK Limited**

### **Independent auditors' report to the members of Aurora Media Worldwide UK Limited (continued)**

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
22 October 2021

## Aurora Media Worldwide UK Limited

### Profit and loss account for the year ended 31 December 2020

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
	Note		
Turnover	3	8,640,006	13,977,104
Cost of sales		(6,760,594)	(11,549,703)
Gross profit		1,879,412	2,427,401
Administrative expenses		(1,952,329)	(1,430,827)
Other income		95,824	-
Operating Profit	3	22,907	996,574
Profit before taxation		22,907	996,574
Tax charge/(credit) on profit	7	2,508	(172,594)
Profit for the financial year		25,415	823,980

The above results were derived from continuing operations.

The notes on pages 13 to 25 form an integral part of these financial statements.

## **Aurora Media Worldwide UK Limited**

### **Statement of comprehensive income for the year ended 31 December 2020**

	<b>Year ended 31 December 2020</b>	<b>Year ended 31 December 2019</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<u>25,415</u>	<u>823,980</u>
Total comprehensive income for the period	<u><u>25,415</u></u>	<u><u>823,980</u></u>

The notes on pages 13 to 25 form an integral part of these financial statements.

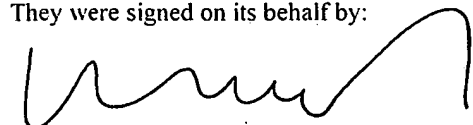
**Aurora Media Worldwide UK Limited**  
**(Registration number: 05094691)**

**Balance sheet as at 31 December 2020**

		<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	8	367,878	199,075
		<u>367,878</u>	<u>199,075</u>
<b>Current assets</b>			
Stocks	9	1,723,869	1,186,433
Debtors	10	1,378,020	2,435,343
Cash at bank and in hand		881,483	1,082,791
		<u>3,983,372</u>	<u>4,704,567</u>
<b>Creditors: amounts falling due within one year</b>	11	(3,937,225)	(3,978,074)
<b>Net current assets</b>		<u>46,147</u>	<u>726,493</u>
<b>Total assets less current liabilities</b>		414,025	925,568
<b>Creditors: amounts falling due after more than one year</b>	12	-	(36,958)
<b>Net assets</b>		<u>414,025</u>	<u>888,610</u>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Share premium account		246,961	246,961
Profit and loss account	14	166,964	641,549
<b>Total shareholders' funds</b>		<u>414,025</u>	<u>888,610</u>

The financial statements of Aurora Media Worldwide UK Limited (registered number: 05094691) on pages 9 to 25 were approved by the board of directors and authorised for issue on 22 October 2021.

They were signed on its behalf by:



**Victoria Jane Turton**  
**Director**

The notes on pages 13 to 25 form an integral part of these financial statements.

# Aurora Media Worldwide UK Limited

## Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 January 2019	100	246,961	(182,431)	64,630
Total comprehensive income for the year	-	-	823,980	823,980
At 31 December 2019	<u>100</u>	<u>246,961</u>	<u>641,549</u>	<u>888,610</u>
	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 January 2020	100	246,961	641,549	888,610
Total comprehensive income for the period	-	-	25,415	25,415
Dividends	-	-	(500,000)	(500,000)
At 31 December 2020	<u>100</u>	<u>246,961</u>	<u>166,964</u>	<u>414,025</u>

The notes on pages 13 to 25 form an integral part of these financial statements.

## **Aurora Media Worldwide UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **1. General information**

Aurora Media Worldwide UK Limited is a private company limited by share capital incorporated in the United Kingdom and registered in England.

The address of the registered office is:

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

Principal place of business is:

3-7 Ray Street  
Farringdon  
London  
EC1R 3DR

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

#### **2. Accounting policies**

##### **2.1 Summary of significant accounting policies**

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

##### **Basis of preparation**

The financial statements of Aurora Media Worldwide UK Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.2.

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosure'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirement in respect of:
  - (i) Paragraph 79(a)(iv) of IAS 1;
  - (ii) Paragraph 73(e) of IAS 16 Property, plant and equipment;

## Aurora Media Worldwide UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 2. Accounting policies (continued)

(iii) Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 10(f) (a statement of financialisation as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position)
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation)

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

#### Leases

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

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

#### Going concern

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

#### Turnover

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

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



## Aurora Media Worldwide UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 2. Accounting policies (continued)

##### Turnover (continued)

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

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

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by Aurora exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

##### Other income

Other income relates to funding received from fellow group undertakings to fund specific costs during the COVID-19 pandemic and has been booked as agreed with the group undertaking and in the period matching that in which the related expense has been recognised.

##### Foreign currency translation

###### *(a) Functional and presentation currency*

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

###### *(b) Transactions and balances*

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

##### Tax

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

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

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

## **Aurora Media Worldwide UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **2. Accounting policies (continued)**

##### **Tax (continued)**

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

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

##### **Dividend distribution**

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

##### **Tangible assets**

Fixed assets are stated at cost less depreciation.

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

##### **Depreciation**

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

Plant and machinery	Straight line over 3 years
Office equipment	Straight line over 3 – 4 years
Fixtures and fittings	Straight line over 3 – 4 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be in line with the remaining estimated useful life.

##### **Stocks**

Stock and work in progress should be valued at the lower of cost and net realisable value. Net realisable value should be based on estimated selling price less any further costs expected to be incurred to completion. Costs relating to a production are recognised in stocks and then released to the income statement as related revenue is recognised.

##### **Provisions**

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

##### **Pensions**

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

## Aurora Media Worldwide UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 2. Accounting policies (continued)

##### 2.2 Critical accounting estimates and judgements (continued)

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

##### (a) Impairment of trade and other debtors

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

#### 3. Operating profit

Arrived at after charging

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Auditors' remuneration – audit fees	26,000	18,000
Depreciation expense	165,921	102,658
Net loss on foreign currency translation	35,143	18,712

Contract liabilities are deferred revenue of £1,994,991. Deferred revenue as at 31 December 2019 of £2,065,701 was released to revenue in the period and deferred revenue as at 31 December 2020 of £1,994,991 relates to new contracts entered in the period.

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
United Kingdom	7,276,283	12,150,337
Rest of World	1,363,723	1,826,767
	<u>8,640,006</u>	<u>13,977,104</u>

## Aurora Media Worldwide UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 4. Staff costs

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

	31 December 2020 £	31 December 2019 £
Wages and salaries	816,959	901,768
Social security costs	105,582	84,735
Other pension costs	45,307	55,169
	<u>967,848</u>	<u>1,041,672</u>

#### 5. Staff numbers

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

	Year ended 31 December 2020 No.	Year ended 31 December 2019 No.
Production	20	20
Administration	7	7
	<u>27</u>	<u>27</u>

#### 6. Directors' remuneration

Directors' remuneration in the year ended 31 December 2020 was £309,106 (period ended 31 December 2019: £330,000) for services to this company.

Directors' pension contributions in the year ended 31 December 2020 was £4,000 (period ended 31 December 2019: £30,000).

Directors' remuneration in period ended 31 December 2020 for the highest paid director was £309,106 (period ended 31 December 2019: £330,000) for services to this company.

Directors' pension contributions in the year ended 31 December 2020 for the highest paid director was £4,000 (period ended 31 December 2019: £30,000).

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

## Aurora Media Worldwide UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 7. Tax on profit

##### (a) Tax expense included in profit or loss

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
<b>Current taxation</b>		
UK corporation tax	-	-
<b>Total current income tax</b>	<u>-</u>	<u>-</u>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	6,955	171,772
Adjustment in respect of prior years	627	-
Impact of changes in tax rate	(10,090)	-
Capital allowances in advance of depreciation	-	822
<b>Total deferred taxation</b>	<u>(2,508)</u>	<u>172,594</u>
<b>Total tax (credit)/charge on profit</b>	<u>(2,508)</u>	<u>172,594</u>

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

The Finance Act 2015 reduced the UK corporation tax from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020). The previously enacted rate of 18% was reduced further to 17% in the Finance Bill 2016 which received Royal Assent on 15 September 2016. A revised Budget Resolution was passed on 17 March 2020 which reverses the two planned reductions, with the existing 19% rate substantively enacted as continuing. The Budget on 3 March 2021 announced that the rate will remain at 19% until 1 April 2023 when it will increase to 25%.

## Aurora Media Worldwide UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 7. Tax on profit (continued)

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

The tax on profit for the year is lower than (2019: lower) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Profit before tax	22,907	996,574
Corporation tax at standard rate 19% (2019: 19%)	4,352	189,349
Fixed asset differences	676	416
Expenses not deductible for tax	1,927	2,212
Remeasurement of deferred tax - change in UK rate	(10,090)	(20,209)
Adjustment for prior year	627	826
Tax (credit)/charge for the year	<u>(2,508)</u>	<u>172,594</u>

##### (d) Deferred tax asset

	31 December 2020	31 December 2019
	£	£
Included in debtors	<u>88,896</u>	<u>86,338</u>
Analysed as below:		
Depreciation in advance of capital allowances	1,955	(12,606)
Short term timing differences	<u>86,941</u>	<u>98,994</u>
Deferred taxation asset	<u>88,896</u>	<u>86,388</u>

# Aurora Media Worldwide UK Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 7. Tax on profit (continued)

Deferred tax movement during the year:

	At 31 December 2019 £	Recognised in income £	At 31 December 2020 £
Accelerated tax depreciation	(12,606)	14,561	1,955
Tax losses	98,994	(12,053)	86,941
	<u>86,388</u>	<u>2,508</u>	<u>88,896</u>

	31 December 2020 £	31 December 2019 £
Deferred tax		
Opening balance	86,388	258,982
Movement in year	2,508	(172,594)
Closing balance	<u>88,896</u>	<u>86,388</u>

## Aurora Media Worldwide UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 8. Tangible fixed assets

	Plant and Machinery	Fixtures and fittings	Office Equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020	374,931	80,493	483,875	939,299
Additions	280,294	35,411	19,019	334,724
Disposals	(136,312)	(56,830)	(417,554)	(610,696)
<b>At 31 December 2020</b>	<b>518,913</b>	<b>59,074</b>	<b>85,340</b>	<b>663,327</b>
<b>Accumulated Depreciation</b>				
At 1 January 2020	217,185	73,443	449,596	740,224
Charge for the year	151,499	1,063	13,359	165,921
Disposals	(136,312)	(56,830)	(417,554)	(610,696)
<b>At 31 December 2020</b>	<b>232,372</b>	<b>17,676</b>	<b>45,401</b>	<b>295,449</b>
<b>Net book value</b>				
<b>At 31 December 2020</b>	<b>286,541</b>	<b>41,398</b>	<b>39,939</b>	<b>367,878</b>
<b>At 31 December 2019</b>	<b>157,746</b>	<b>7,050</b>	<b>34,279</b>	<b>199,075</b>

#### 9. Stocks

	31 December 2020	31 December 2019
	£	£
Work in progress	1,723,869	1,186,433



# Aurora Media Worldwide UK Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 10. Debtors

	31 December 2020	31 December 2019
	£	£
Trade debtors	1,107,728	1,243,876
Prepayments and accrued income	181,396	1,105,079
Deferred tax asset (note 7)	88,896	86,388
	<u>1,378,020</u>	<u>2,435,343</u>

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

### 11. Creditors: amount falling due within one year

	31 December 2020	31 December 2019
	£	£
Trade creditors	1,074,072	99,399
Accruals and deferred income	2,600,572	3,621,514
Amounts owed to fellow group undertakings	215,279	36,198
Social security and other taxes	47,302	220,963
	<u>3,937,225</u>	<u>3,978,074</u>

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

### 12. Creditors: amount falling due after more than one year

	31 December 2020	31 December 2019
	£	£
Deferred income	-	36,958
	<u>-</u>	<u>36,958</u>

## Aurora Media Worldwide UK Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 13. Called up share capital

##### Authorised, allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No.	£	No.	£
'A' ordinary shares of £1 each	90	90	90	90
'B' ordinary shares of £1 each	10	10	10	10

#### 14. Profit and loss account

	2020	2019
	£	£
Opening balance 1 January	641,549	(182,431)
Profit for financial year	25,415	823,980
Dividends	(500,000)	-
Closing balance 31 December	166,964	641,549

#### 15. Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and in the period ended 31 December 2020 amounted to £45,307 (period ended 31 December 2019: £55,169). No contributions were payable to the fund at the balance sheet date.

#### 16. Related party transactions

During the year the company made purchases from All3 Limited of £144,950 (2019: £19,250) there was a balance of £95,450 (2019: £9,534) owed at the year end.

During the year the company made purchases from North One Limited of £501,380 (2019: £845,393) there was a balance of £117,459 (2019: £nil) owed at the year end.

During the year the company made purchases from Manor Limited of £374,485 (2019: £150) there was a balance of £2,370 (2019: £180) owed at the year end.

During the year ended 31 December 2020 the company made sales amounting to £4,784,117 (2019: £6,464,328) to companies controlled by Formula E Holdings Limited, a company under common control. These sales related to production services and were made on an arm's length basis. There was an amount of £35,613 (2019: £844,537) outstanding from the company at the period end.

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

## **Aurora Media Worldwide UK Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **17. Parent and ultimate parent undertaking**

The immediate parent undertaking is All3Media Finance Limited. The ultimate parent undertaking is DLG Acquisitions Limited. DLG Acquisitions Limited is the parent undertaking of the smallest and the largest group to consolidate these financial statements at 31 December 2020. Copies of its group financial statements, which include the company, are available from Berkshire House, 168-173 High Holborn, London, WC1V 7AA. The ultimate controlling parties at the balance sheet date are Liberty Global plc and Discovery Inc. (formerly Discovery Communications Inc), which own LGCI HoldCo I B.V. and DNI Holdings (Jersey) Limited respectively, who were equal joint venture owners of DLG Acquisitions Limited.

Post balance sheet, DNI Holdings (Jersey) Limited transferred its shares to Discovery International UK Holdings Limited, a fellow group undertaking of Discovery Inc.