

Registered number 03336416

Lion Television Limited

Report and Financial Statements

31 December 2020



Lion Television Limited

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Lion Television Limited

Company information

Directors	A McMullen S Geater V Turton R Bradley N Catliff
Registered office	Berkshire House 168-173 High Holborn London, England WC1V 7AA
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Lion Television 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 loss for the financial year amounted to £3,329,171 (year ended 31 December 2019: loss of £240,955).

As at 31 December 2020, shareholders' deficit totalled £2,047,882 (31 December 2019: funds £1,281,289). The decrease year on year is due to the loss in the year.

Future likely developments

The COVID-19 pandemic created significant volatility during the year as well as uncertainty and economic disruption to the industry as a whole, however the company has since returned to production levels comparable to before the pandemic.

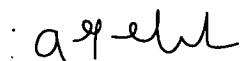
Principal risks and uncertainties

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 group (the "group") as a whole, is provided in the group's financial statements which do not form part of this report. Lion Television Limited is a wholly owned subsidiary of DLG Acquisitions Limited.

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 Lion Television 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 29 September 2021 and signed on behalf of the board by:



A McMullen
Director

Berkshire House
168-173 High Holborn
London
WC1V 7AA

Lion Television Limited

Directors' report for the year ended 31 December 2020

The directors present their Directors' Report and the audited financial statements for the year ended 31 December 2020.

Future Outlook

An indication of the likely future developments of the business is included in the strategic report on page 2.

Dividends

Aggregate dividends declared for the year totalled £nil (year ended 31 December 2019: £nil).

Financial Risk Management

The company funds its operations from trading activities and would seek where appropriate, external bank loan financing on specific broadcaster commissions. Through its trading activities the company is exposed to certain levels of credit, interest rate, currency and liquidity risk.

The Company's credit risk is primarily attributable to its trade receivables which the Company manages through the assessment of the credit risk of current and potential customers and ongoing review and collection of outstanding receivables. At the balance sheet date, there were no actual or potentially significant concentrations of credit risk aware of by the directors of the Company.

Interest risk arises on cash balances and bank loans subject to interest based on floating rates; the Company monitors these and is not tied in to any loans with a term of greater than one year.

Currency risk arises as certain assets and liabilities are denominated in foreign currencies. There was no significant exposure in the year, but where appropriate the company will open currency specific bank facilities and forward currency contract 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. Such action may include the acquisition of commercial credit and bank overdraft facilities as well as the retention of cash balances; thereby ensuring appropriate funding facilities are continually available within the Company.

Going concern

While the Company is in a net current liability position, DLG Acquisitions Limited, the ultimate parent undertaking, has indicated its current intention to support the activities of the Company, including providing the means to enable it to meet its liabilities as they fall due for at least 12 months from the date of the approval of these financial statements. On that basis the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

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:

A McMullen
S Geater
V Turton
R Bradley
N Catliff

The company maintains liability insurance for its directors and officers. Following shareholders' approval, DLG Acquisitions Limited, the company's ultimate parent undertaking, has also provided an indemnity for the company's directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The policy was in force during the financial year and up to the date of approval of the financial statements.

Lion Television Limited

Directors' report for the year ended 31 December 2020

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Report and 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

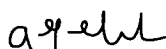
In the case of each director in office at the date the Directors' Report is approved:

- 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.

Reappointment of independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in accordance with s487(2) of the Companies Act.

The financial statements on pages 7 to 25 were approved by the Board of Directors on 29 September 2021 and signed on its behalf by:



A McMullen
Director

Berkshire House
168-173 High Holborn
London
WC1V 7AA

Independent auditors' report to the members of Lion Television Limited

Report on the audit of the financial statements

Opinion

In our opinion, Lion Television 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 loss 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, 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.

Lion Television Limited

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.

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.

Lion Television Limited

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 regulations;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations; and
- 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. 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.

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
30 September 2021

Lion Television Limited

Profit and loss account for the year ended 31 December 2020

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
	Note		
Turnover		10,580,381	15,458,842
Cost of sales		(8,517,896)	(15,084,493)
Gross profit		2,062,485	374,349
Administrative expenses		(6,724,753)	(1,189,980)
Operating loss	3	(4,662,268)	(815,631)
Other income		216,924	-
Interest receivable and similar income	4	28	429
Income from shares in group undertakings		1,109,895	574,247
Loss before taxation		(3,335,421)	(240,955)
Tax on loss	7	6,250	-
Loss for the financial year		(3,329,171)	(240,955)

The above results were derived from continuing operations.

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

Lion Television Limited

Statement of comprehensive income for the year ended 31 December 2020

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Loss for the financial year	<u>(3,329,171)</u>	<u>(240,955)</u>
Total comprehensive loss for the year	<u><u>(3,329,171)</u></u>	<u><u>(240,955)</u></u>

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

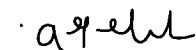
Lion Television Limited
(Registration number: 03336416)

Balance sheet as at 31 December 2020

		31 December 2020	31 December 2019
	Note	£	£
Fixed assets			
Tangible fixed assets	8	95,055	-
Investments	9	12	12
		<u>95,067</u>	<u>12</u>
Current assets			
Stocks	10	6,018,144	3,279,122
Debtors	11	3,999,772	4,480,339
Cash at bank and in hand	12	249,389	2,294,461
		<u>10,267,305</u>	<u>10,053,922</u>
Creditors: amounts falling due within one year	13	<u>(12,410,254)</u>	<u>(8,772,645)</u>
Net current (liabilities) / assets		<u>(2,142,949)</u>	<u>1,281,277</u>
Net (liabilities) / assets		<u>(2,047,882)</u>	<u>1,281,289</u>
Capital and reserves			
Called up share capital	14	104,005	104,005
Share premium account	15	13,320	13,320
Profit and loss account	16	<u>(2,165,207)</u>	<u>1,163,964</u>
Total shareholders' (deficit) / funds		<u>(2,047,882)</u>	<u>1,281,289</u>

The financial statements of Lion Television Limited (registered number: 03336416) on pages 8 to 25 were approved by the board of directors and authorised for issue on 29 September 2021.

They were signed on its behalf by:



A McMullen
Director

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

Lion Television 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 (deficit) £
At 1 January 2019	104,005	13,320	1,404,919	1,522,244
Total comprehensive loss for the financial year	-	-	(240,955)	(240,955)
At 31 December 2019	104,005	13,320	1,163,964	1,281,289
Total comprehensive loss for the financial year	-	-	(3,329,171)	(3,329,171)
At 31 December 2020	104,005	13,320	(2,165,207)	(2,047,882)

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

Lion Television Limited

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

1. General information

Lion Television Limited is a private limited company, limited by shares and incorporated in United Kingdom under the Companies Act.

The address of the registered office is:

Berkshire House
168-173 High Holborn
London, England
WC1V 7AA

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

Lion Television Limited

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

2. Accounting policies (continued)

- 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 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- Exemptions available for 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'

The financial statements contain information about Lion Television Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, DLG Acquisitions Limited.

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 19.

Going concern

While the Company is in a net current liability position, DLG Acquisitions Limited, the ultimate parent undertaking, has indicated its current intention to support the activities of the Company, including providing the means to enable it to meet its liabilities as they fall due for at least 12 months from the date of the approval of these financial statements. On that basis the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

Turnover

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

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

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

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.

Turnover relates wholly to the company's principal activity in the UK.

Lion Television Limited

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

2. Accounting policies (continued)

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 profit and loss account, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating income'.

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 realized or the deferred income tax liability is settled.

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

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

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.

Lion Television Limited

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

2. Accounting policies (continued)

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:

Computer Equipment	20-50%
Fixtures & Fittings	20-50%

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.

Fixed assets investments

Investments held as fixed assets are shown at cost less provision for impairment. The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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.

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 16 represents contributions payable by the company to the fund.

2.2 Critical accounting estimates and judgements

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

(a) 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 11 for the net carrying amount of the receivables and associated impairment provision.

Lion Television Limited

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

3. Operating loss

Arrived at after charging/(crediting)

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Auditors' remuneration:		
Audit services	38,000	19,000
Net (gain)/loss on foreign currency translation	(271,467)	140,956
Bad debt expense	7,700	-
Write down of amounts owed from group undertakings	2,371,625	-
	<u>2,144,858</u>	<u>159,956</u>

4. Interest receivable and similar income

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Interest income on bank deposits	28	429
	<u>28</u>	<u>429</u>

5. Staff costs

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

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Wages and salaries	1,914,172	1,300,785
Social security costs	212,846	154,311
Other pension costs	93,319	12,397
	<u>2,220,337</u>	<u>1,467,493</u>

The average monthly 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	47	43
Administration	4	-
	<u>51</u>	<u>43</u>

Lion Television Limited

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

6. Directors' remuneration

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Aggregate emoluments	98,886	-
Company pension contributions to money purchase schemes	6,701	-
	<u>105,587</u>	<u>-</u>

The total emoluments, including pension contributions of £3,351 (year ended 31 December 2019: £nil), of the highest paid director were £52,794 (year ended 31 December 2019: £nil).

5 of the directors (2019: 5) have been remunerated by other DLG Acquisitions Limited group companies, and details of their emoluments and pension payments are available in the financial statements of those companies.

Payments were made to a personal pension scheme on a defined contribution basis for 2 directors in the year (year ended 31 December 2019: nil).

7. Tax on loss

(a) Tax expense included in profit or loss

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Current taxation		
UK corporation tax on loss for the year	-	-
	<u>-</u>	<u>-</u>
Total current income tax	<u>-</u>	<u>-</u>
Deferred taxation		
Origination of temporary difference	(6,250)	-
	<u>(6,250)</u>	<u>-</u>
Total deferred taxation	<u>(6,250)</u>	<u>-</u>
Total tax on loss	<u>(6,250)</u>	<u>-</u>

Lion Television Limited

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

7. Tax on loss (continued)

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

The tax expense for the year differs (2019: differs) from 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
	£	£
Loss before taxation	(3,335,421)	(240,955)
Corporation tax at standard rate of 19% (2019: 19%)	(633,730)	(45,781)
Expenses not deductible for tax purposes	450,609	5,143
Remeasurement of deferred tax	(1,925)	-
Non-taxable income	(210,880)	(109,107)
Group relief given/(received) for no consideration	387,757	149,745
Deferred tax not recognised	1,919	-
Total tax credit for the year	(6,250)	-

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

The Finance Act 2020 reversed the previously planned rate reductions, with the existing 19% corporation tax 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%.

Lion Television Limited

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

7. Tax on loss on ordinary activities (continued)

(d) Deferred tax

	31 December 2020	31 December 2019
	£	£
Included in debtors (note 10)	<u>6,250</u>	<u>-</u>
Analysed as below:		
Depreciation in advance of capital allowances	<u>6,250</u>	<u>-</u>
Deferred taxation asset	<u>6,250</u>	<u>-</u>

Deferred tax movement during the year:

	At 1 January 2020	Recognised in income	At 31 December 2020
	£	£	£
Fixed asset differences	<u>-</u>	<u>6,250</u>	<u>6,250</u>
	<u>-</u>	<u>-</u>	<u>6,250</u>

Unrecognised deferred tax asset

Cumulative deferred tax of £18,284 (2019: £16,365) has not been recognised in respect of tax losses.

Lion Television Limited

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

8. Tangible assets

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 January 2020	-	-	-
Additions	58,585	69,365	127,950
	<hr/>	<hr/>	<hr/>
At 31 December 2020	58,585	69,365	127,950
	<hr/>	<hr/>	<hr/>
Accumulated Depreciation			
At 1 January 2020	-	-	-
Charge for the year	19,250	13,645	32,895
	<hr/>	<hr/>	<hr/>
At 31 December 2020	19,250	13,645	32,895
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 December 2020	39,335	55,720	95,055
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	-	-
	<hr/>	<hr/>	<hr/>

Lion Television Limited

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

9. Investments

	31 December 2020	31 December 2019
	£	£
Net book value of shares in subsidiary undertakings	12	12

Details of the subsidiary undertakings are as follows:

Name of company	Country of incorporation	Equity holding	Nature of business	Registered Address
Ravenscourt Services Limited	England & Wales	100%	Service company	Berkshire House, 168-173 High Holborn, London, WC1V 7AA
Lion Media Limited	England & Wales	100%	Television Production	Berkshire House, 168-173 High Holborn, London, WC1V 7AA
Lion Cubs Limited	England & Wales	100%	Television Production	Berkshire House, 168-173 High Holborn, London, WC1V 7AA
Lion Drama Limited	England & Wales	100%	Dormant	Berkshire House, 168-173 High Holborn, London, WC1V 7AA
Lion Films Limited	England & Wales	100%	Dormant	Berkshire House, 168-173 High Holborn, London, WC1V 7AA
Lion Television North Limited	England & Wales	100%	Television Production	Berkshire House, 168-173 High Holborn, London, WC1V 7AA

The directors believe that the carrying value of the investments is supported by their underlying net assets.

10. Stocks

	31 December 2020	31 December 2019
	£	£
Work in progress	6,018,144	3,279,122

No expense has been recognised in respect of the write down of work in progress in the year and no amounts previously written down have been reversed in the year. Work in progress comprises costs incurred up to the balance sheet date on productions or episodes not yet delivered. Work in progress of £8,150,778 was recognised as an expense during the year.

Lion Television Limited

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

11. Debtors

	31 December 2020	31 December 2019
	£	£
Trade debtors	546,735	956,680
Amounts owed by fellow group undertakings	2,723,377	3,058,218
Prepayments and accrued income	565,207	307,238
Amounts owed by group undertakings for group relief	158,203	158,203
Deferred tax (note 7(d))	6,250	-
	<u>3,999,772</u>	<u>4,480,339</u>

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

12. Cash at bank and in hand

Cash at bank and in hand includes a total of £279,398 (31 December 2019: £886,901) held in designated production bank accounts for television companies that have commissioned programmes on their behalf. These funds are under the effective management and control of the group but under the terms of the contracts with the television companies, all amounts are repayable in the event of the termination of a programme.

13. Creditors: amounts falling due within one year

	31 December 2020	31 December 2019
	£	£
Trade creditors	308,235	114,239
Accruals and deferred income	9,578,535	6,491,400
Amounts owed to fellow group undertakings	150,561	1,813,817
Amounts owed to parent company	1,750,000	101,423
Social security and other taxes	375,010	250,210
Other creditors	247,913	1,556
	<u>12,410,254</u>	<u>8,772,645</u>

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

£4,453,891 of revenue was recognised in the year to 31 December 2020 that was included within accruals and deferred income at the beginning of the period. No revenue was recognised in the year to 31 December 2020 from performance obligations satisfied (or partially satisfied) in previous periods.

Lion Television Limited

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

14. Called up share capital

Authorised shares-

	31 December 2020		31 December 2019	
	No.	£	No.	£
102,165 A Ordinary shares of £1.00 each	102,165	102,165	102,165	102,165
2,000 B Ordinary shares of £0.20 each	2,000	400	2,000	400
6,840 C1 Ordinary shares of £0.20 each	6,840	1,368	6,840	1,368
360 C2 Ordinary shares of £0.20 each	360	72	360	72
400 D Ordinary shares of £0.20 each	0	0	0	0
Total		104,005		104,005

Allotted, called up and fully paid shares-

	31 December 2020		31 December 2019	
	No.	£	No.	£
102,165 A Ordinary shares of £1.00 each	102,165	102,165	102,165	102,165
2,000 B Ordinary shares of £0.20 each	2,000	400	2,000	400
6,840 C1 Ordinary shares of £0.20 each	6,840	1,368	6,840	1,368
360 C2 Ordinary shares of £0.20 each	360	72	360	72
Total		104,005		104,005

The company has in issue 2,000 'B' ordinary shares of £0.20 each, with an aggregate nominal value of £400, 6,840 'C1' ordinary shares of £0.20 each, with an aggregate nominal value of £1,368 and 360 'C2' ordinary shares of £0.20 each, with an aggregate nominal value of £72.

Only 'A' ordinary shares are entitled to dividends and have general voting rights. 'B', 'C' and 'D' ordinary shares may only vote in respect of special resolutions. In the event of a winding up, the 'A' shares have a priority entitlement in respect of their issue price and any dividends owed. The 'B', 'C' and 'D' ordinary shares are then entitled to the return of their issue price on a pro-rata basis. Any remaining proceeds are then payable to the 'A' ordinary shareholders.

Lion Television Limited

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

15. Share premium account

	£
At 31 December 2020 and 31 December 2019	13,320

16. Profit and loss account

	£
Balance at 1 January 2020	1,163,964
Loss for the financial year	(3,329,171)
Balance at 31 December 2020	<u>(2,165,207)</u>

17. 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 year ended amounted to £93,319 (year ended 31 December 2019: £12,397). No contributions were payable to the fund at the balance sheet date.

18. Related party transactions

As permitted by FRS 101, the company has taken advantage of the exemption available under that standard in relation to "related party transactions" from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company. These are publicly available.

Lion Television Limited

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

19. Dividends

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Ordinary		
Dividends paid: £nil (2019: £nil) per £1 share	-	-

20. Contingent liabilities

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members.

21. Parent and ultimate parent undertaking

The ultimate parent undertaking is DLG Acquisitions Limited. DLG Acquisitions Limited is the parent undertaking of the smallest and the largest group to consolidate these financial statements at 31 December 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 are 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.