

COMPANY REGISTRATION NUMBER: 03927900

Lion Cubs Limited
Financial Statements
30 June 2017

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Lion Cubs Limited
Financial Statements
Period ended 30 June 2017

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Lion Cubs Limited

Officers and Professional Advisers

The board of directors

R A Bradley
N I Catliff
S K Geater
A McMullen
S E Meer
V J Turton

Registered office

Berkshire House
168 - 173 High Holborn
London
WC1V 7AA

Auditor

Shipleys LLP
Chartered accountant & statutory auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Lion Cubs Limited

Directors' Report *(continued)*

Period ended 30 June 2017

The directors present their report and the Financial Statements of the company for the period ended 30 June 2017.

Principal activities and business review

The principle activity of the company during the period was the development and production of children's television programmes.

During the period the company completed production of a television series entitled "Horrible Histories Series 7".

Directors

The directors who served the company during the period were as follows:

R A Bradley
N I Catliff
S K Geater
A McMullen
S E Meer
V J Turton

Dividends

Particulars of recommended dividends are detailed in note 6 to the Financial Statements.

Going concern

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

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

A detailed budget and cashflow have been prepared for the production and delivery of the television series. Funds to meet the cashflow requirements are contractually in place and the directors do not anticipate any material overspend. The directors are therefore satisfied that the going concern assumption remains appropriate.

Future developments

The company intends to continue operating in the area of the development and production of children's television series.

Financial instruments

The Company's principal financial instruments comprise bank balances, loans, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance sufficient to meet the funds required for the company's operations. The company makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by ensuring that amounts due are received in a timely manner.

Lion Cubs Limited

Directors' Report *(continued)*

Period ended 30 June 2017

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

The company is not involved in research or development activities.

Overseas branches

The company has no branches outside the UK.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor

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

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 15th Jan 2018 and signed on behalf of the board by:



A McMULLEN
DIRECTOR

Lion Cubs Limited

Independent Auditor's Report to the Members of Lion Cubs Limited

Period ended 30 June 2017

Opinion

We have audited the financial statements of Lion Cubs Limited for the period ended 30 June 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Lion Cubs Limited

Independent Auditor's Report to the Members of Lion Cubs Limited *(continued)*

Period ended 30 June 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

Lion Cubs Limited

Independent Auditor's Report to the Members of Lion Cubs Limited *(continued)*

Period ended 30 June 2017

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Lion Cubs Limited

Independent Auditor's Report to the Members of Lion Cubs Limited *(continued)*

Period ended 30 June 2017

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



Stewart Jell (Senior Statutory Auditor)

For and on behalf of
Shipleys LLP
Chartered accountant & statutory auditor
10 Orange Street
Haymarket
London

16/1/18

Lion Cubs Limited
Statement of Comprehensive Income
Period ended 30 June 2017

		Period to 30 Jun 17 £	Year to 28 Feb 17 £
Turnover	Note 4	881,971	2,436,656
Cost of sales		<u>(881,971)</u>	<u>(2,436,656)</u>
Gross profit		—	—
 Tax on profit	 5	 <u>171,540</u>	 <u>485,379</u>
Profit for the financial period and total comprehensive income		<u><u>171,540</u></u>	<u><u>485,379</u></u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the period as set out above.

The notes on pages 11 to 14 form part of these Financial Statements.

Lion Cubs Limited
Statement of Financial Position
30 June 2017

	Note	30 Jun 2017 £	£	28 Feb 2017 £
Current assets				
Debtors	7	950,400		703,220
Cash at bank and in hand		3,728		—
		<u>954,128</u>		<u>703,220</u>
Creditors: amounts falling due within one year	8	<u>(297,207)</u>		<u>(217,839)</u>
Net current assets			<u>656,921</u>	<u>485,381</u>
Total assets less current liabilities			<u>656,921</u>	<u>485,381</u>
Net assets			<u>656,921</u>	<u>485,381</u>
Capital and reserves				
Called up share capital	9		2	2
Profit and loss account	10		<u>656,919</u>	<u>485,379</u>
Members funds			<u>656,921</u>	<u>485,381</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These Financial Statements were approved by the board of directors and authorised for issue on 15th Jan 2018 and are signed on behalf of the board by:


A McMULLEN
DIRECTOR

Company registration number: 03927900

The notes on pages 11 to 14 form part of these Financial Statements.

Lion Cubs Limited
Statement of Changes in Equity
Period ended 30 June 2017

	Called up share capital £	Profit and loss account £	Total £
At 29 February 2016	2	173,981	173,983
Profit for the year	—	485,379	485,379
Total comprehensive income for the year	—	485,379	485,379
Dividends paid and payable	6	(173,981)	(173,981)
Total investments by and distributions to owners	—	(173,981)	(173,981)
At 28 February 2017	2	485,379	485,381
Profit for the period	—	171,540	171,540
Total comprehensive income for the period	—	171,540	171,540
At 30 June 2017	<u>2</u>	<u>656,919</u>	<u>656,921</u>

The notes on pages 11 to 14 form part of these Financial Statements.

Lion Cubs Limited

Notes to the Financial Statements *(continued)*

Period ended 30 June 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Berkshire House, 168 - 173 High Holborn, London, WC1V 7AA.

2. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Lion Cubs Limited for the period ending 30 June 2017 were authorised for issue by the board of directors on and the balance sheet was signed on the board's behalf by A McMullen.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Lion Television Limited.

3. Accounting policies

Basis of preparation

The Financial Statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The Financial Statements are prepared in sterling, which is the functional currency of the entity.

Significant estimation technique adopted

Accruals are estimated by reference to purchase orders raised at the period end and estimates to complete. Payments received on accounts are estimated by reference to percentage of completion of the television production, as noted in "Revenue Recognition" below.

Disclosure exemptions

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

a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:

- o the requirements of IAS 7 Statement of Cash Flows
- o the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required equivalent disclosures are given in the group financial statements of DLG Acquisitions Limited. The group financial statements of DLG Acquisitions are available to the public and can be obtained as set out in note 13.

Revenue recognition

Turnover relates to the production of the television series entitled "Horrible Histories Series 7". It represents the value of work done in the period, including estimates of amounts not invoiced and is started after trade discounts, other taxes and net of VAT.

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

Lion Cubs Limited

Notes to the Financial Statements *(continued)*

Period ended 30 June 2017

to the extent that expenses recognised are recoverable.

Income tax

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

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

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Financial instruments

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

Comparatives

The accounts cover the period from 1 March 2017 through to 30 June 2017. The comparatives cover the period from 1 March 2016 through to 28 February 2017.

4. Turnover

Turnover arises from:

	Period to 30 Jun 17	Year to 28 Feb 17
	£	£
Production Services	<u>881,971</u>	<u>2,436,656</u>

Turnover relates to the production of the television series entitled "Horrible Histories Series 7". It represents the value of the work done in the period, including estimates of amounts not invoiced and is stated after trade discounts, other taxes and net of VAT.

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating Profit

Operating profit is stated after crediting:

	Period to 30 Jun 17	Year to 31 Jan 17
	£	£
Director's remuneration	-	-
Auditor's remuneration	<u>2,000</u>	<u>6,000</u>

Lion Cubs Limited

Notes to the Financial Statements *(continued)*

Period ended 30 June 2017

6. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to Nil (28 Feb 2017: Nil).

The company has been incorporated to produce a television series called "Horrible Histories Series 7". In common with the film and television industry the majority of crew are hired on short term contracts for the duration of principal photography or are self-employed.

7. Tax on profit

Major components of tax income

	Period to 30 Jun 17 £	Year to 28 Feb 17 £
Current tax:		
UK current tax income	(171,540)	(485,379)
Tax on profit	<u>(171,540)</u>	<u>(485,379)</u>

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the period is lower than (28 Feb 2017: lower than) the standard rate of corporation tax in the UK of 19.3% (28 Feb 2017: 20%).

	Period to 30 Jun 17 £	Year to 28 Feb 17 £
High-end television tax relief	<u>(171,540)</u>	<u>(485,379)</u>

8. Dividends

	Period to 30 Jun 17 £	Year to 28 Feb 17 £
£nil (28 Feb 2017: £86,990) per £1 Ordinary Share	<u>–</u>	<u>173,981</u>

9. Debtors

	Period to 30 Jun 17 £	Year to 28 Feb 17 £
Trade debtors	–	2,485
Prepayments and accrued income	54,904	4,547
VAT recoverable	49,723	24,503
Corporation tax recoverable	656,920	485,380
Other debtors	188,854	186,305
	<u>950,400</u>	<u>703,220</u>

Lion Cubs Limited

Notes to the Financial Statements *(continued)*

Period ended 30 June 2017

10. Creditors: amounts falling due within one year

	Period to 30 Jun 17 £	Year to 28 Feb 17 £
Bank loans and overdrafts	—	56,643
Trade creditors	—	38,408
Accruals and deferred income	238,891	61,238
Other creditors	58,316	61,550
	<u>297,207</u>	<u>217,839</u>

11. Called up share capital

Issued, called up and fully paid

	30 Jun 2017		28 Feb 2017
	No.	£	No.
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>

12. Reserves

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

13. Related party transactions

The company was under the control of Lion Television Limited throughout the period.

During the period the following transactions took place with related parties. All transactions related to the production of the television series 'Horrible Histories Series 7, occurred at an arm's length and during the ordinary course of business:

Ravenscourt Services Limited, a company of which R A Bradley, N I Catliff, S K Geater, A McMullen, S E Meer and V J Turton are directors, was paid £301,935 (2016: £126,347) for the provision of production services on the television series. £61,550 (2016: £300) remained outstanding at the period end.

No other transactions with related parties were undertaken such as are required to be disclosed as this company has taken advantage of the exemption under the FRS 101 Reduced Disclosure Framework from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

14. Controlling party

In the opinion of the directors the immediate parent undertaking is Lion Television Ltd, a company incorporated in England and Wales.

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. 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 Communications Inc., which own LGCI HoldCo I B.V. and Discovery Luxembourg Holdings 1 S.a.r.l. respectively, who are equal joint venture owners of DLG Acquisitions.