

Registered number: 03927900

LION CUBS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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LION CUBS LIMITED

COMPANY INFORMATION

Directors	A McMullen S K Geater R A Bradley N I Catliff (resigned 17 December 2021) V J Turton
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Registered number	03927900
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Registered office	Berkshire House 168 - 173 High Holborn London WC1V 7AA
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Independent auditors	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
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LION CUBS LIMITED

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LION CUBS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Principal activity

The principal activity of the company during the period was the development and production of high-end television programmes.

Directors

The Directors who served during the year were:

A McMullen
S K Geater
R A Bradley
N I Catliff (resigned 17 December 2021)
V J Turton

Future developments

The commercial environment is expected to remain competitive in the coming period.

Overseas branches

The company was incorporated in the United Kingdom and has no overseas branches.

LION CUBS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Shipleys LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 1/6/2022 and signed on its behalf.

A McMullen

A McMullen
Director

LION CUBS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LION CUBS LIMITED

Opinion

We have audited the financial statements of Lion Cubs Limited (the 'Company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, the Statement of Financial Position, the 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' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

LION CUBS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LION CUBS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were 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 Directors' Report and from the requirement to prepare a Strategic Report.

LION CUBS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LION CUBS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

LION CUBS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LION CUBS 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:

We obtained an understanding of the Company's business, controls, legal and regulatory frameworks, laws and regulations and assessed the susceptibility of the Company's financial statements to material misstatement from irregularities, including fraud, and instances of non-compliance with laws and regulations.

Based on this understanding we designed our audit procedures to detecting irregularities, including fraud. Testing undertaken included making enquiries on the management; journal entry testing and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error and were all deemed to relate to the production of the television series entitled "Horrible Histories Series 9".

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 of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Auditors' 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 Auditors' 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.

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.

LION CUBS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LION CUBS LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Lauren Gilman

Lauren Gilman (Senior Statutory Auditor)

for and on behalf of
Shipleys LLP

10 Orange Street
Haymarket
London
WC2H 7DQ
Date: 6/6/2022

LION CUBS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	5	3,288,783	877,158
Cost of sales		(3,288,783)	(877,158)
Gross profit		-	-
Administrative expenses		-	(11,245)
Other operating income		-	11,245
Operating profit		-	-
Tax on profit	7	653,913	175,276
Profit for the financial year		653,913	175,276

The notes on pages 11 to 17 form part of these financial statements.

LION CUBS LIMITED
REGISTERED NUMBER: 03927900

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	9	4,157,933	310,911
Cash at bank and in hand	10	12,333	26,924
		<u>4,170,266</u>	<u>337,835</u>
Creditors: amounts falling due within one year	11	(3,341,075)	(162,557)
Net current assets		<u>829,191</u>	<u>175,278</u>
Total assets less current liabilities		<u>829,191</u>	<u>175,278</u>
		<u>829,191</u>	<u>175,278</u>
Net assets		<u>829,191</u>	<u>175,278</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	829,189	175,276
		<u>829,191</u>	<u>175,278</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1/6/2022

A McMullen

A McMullen
Director

The notes on pages 11 to 17 form part of these financial statements.

LION CUBS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	2	692,062	692,064
Comprehensive income for the year			
Profit for the year	-	175,276	175,276
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	175,276	175,276
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	(692,062)	(692,062)
	<hr/>	<hr/>	<hr/>
At 1 January 2021	2	175,276	175,278
Comprehensive income for the year			
Profit for the year	-	653,913	653,913
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	653,913	653,913
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2021	2	829,189	829,191

The notes on pages 11 to 17 form part of these financial statements.

LION CUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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, United Kingdom.

2. Statement of compliance

The financial statements of Lion Cubs Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

3.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

LION CUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.3 Significant estimation technique adopted

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

3.4 Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

3.5 Revenue recognition

Turnover relates to the production of the television series entitled "Horrible Histories Series 9". 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.

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

3.6 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.

LION CUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Accounting policies (continued)

3.7 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.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Intra-group borrowings are debt instruments and are initially measured at present value of the future cash flows and subsequently at amortised cost using an effective interest method.

3.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

3.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

4. Particulars of employees

The company has been incorporated to produce a television series called "Horrible Histories Series 9". 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.

None of the Directors received any form of remuneration.

5. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Production funding	3,288,783	877,158
	<u>3,288,783</u>	<u>877,158</u>

There is no material difference between the geographical origin and destination of the supply underlying the turnover figure.

The whole of the turnover figure is attributable to the principal activity of the Company wholly undertaken in the United Kingdom

LION CUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,000	5,000

The above audit fee is borne by Lion Television Limited, the immediate parent company.

7. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(653,913)	(175,276)
	(653,913)	(175,276)
Total current tax	(653,913)	(175,276)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Children's television tax relief	(653,913)	(175,276)
Total tax charge/(credit) for the year	(653,913)	(175,276)

8. Dividends

	2021 £	2020 £
Dividends paid during the year	-	692,062
	-	692,062

LION CUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Debtors

	2021 £	2020 £
Trade debtors	10,000	-
Amounts owed by group undertakings	2,580,603	82,685
Corporation tax recoverable	653,913	175,276
Prepayments and accrued income	536,345	-
VAT recoverable	370,659	47,183
Other debtors	6,413	5,767
	<u>4,157,933</u>	<u>310,911</u>

10. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	12,333	26,924
Less: bank overdrafts	(2,630,670)	-
	<u>(2,618,337)</u>	<u>26,924</u>

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	2,630,670	-
Trade creditors	547,156	32,861
Other taxation and social security	1,489	-
Other creditors	148	719
Accruals and deferred income	161,612	128,977
	<u>3,341,075</u>	<u>162,557</u>

LION CUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
2 (2020 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

13. Reserves

Profit and loss account

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

14. Contingent liabilities

Charges have been made against the television series in favour of the following parties to secure their interests in the copyright of and title to the television series:

The Royal Bank of Scotland PLC

15. Related party transactions

The company was under the control of Lion Television Limited, a company incorporated in England throughout the current and previous period. Lion Television Limited owns 100% of the issued shares of the company.

All transactions related to the production of the television series "Horrible Histories Series 9" and arose on an arm's length basis through the normal course of business.

No 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.

LION CUBS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Controlling party

The immediate parent undertaking is Lion Television Limited, and 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 2021. 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., which own LGCI HoldCo I B.V. and Discovery International UK Holdings Limited respectively, which are joint owners of DLG Acquisitions Limited.