Company registration number 03851811 (England and Wales)

BABY COW PRODUCTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

BABY COW PRODUCTIONS LIMITED

COMPANY INFORMATION

Directors	Stephen Coogan	
	Matthew Garside	
	Jonathan Merrell	
	Sarah Monteith	
	Saul Venit	(Appointed 28 June 2023)
Secretary	Jackline Ryland	
Company number	03851811	
Registered office	1 Television Centre 101 Wood Lane London W12 7FA	
Auditor	FLB Audit LLP 1010 Eskdale Road Winnersh Triangle Wokingham Berkshire RG41 5TS	

BABY COW PRODUCTIONS LIMITED

CONTENTS

BABY COW PRODUCTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the Strategic Report for Baby Cow Productions Limited (the 'Company') and its subsidary undertakings (together, the 'Group') for year ended 31 March 2023.

Fair review of business
The business continues to feel the impact of the disruption caused by COVID-19, but the production activity of the Group remained resilient considering the wider economic environment in which the Group operates.

Group revenues in relation to production activities decreased from £8,998,624 in 2022 to £5,212,416 in the year under review whereas total revenues decreased from £10,156,508 in 2022 to £6,053,462 in 2023. Associated cost of sales experienced increases due to the increased inflation experienced across the UK, resulting in the Group's gross profit margin declining from 10% to 7%.

The Group reported a Group profit after tax of £26,241 (2022: £276,585). The Directors appreciate the support provided by all stakeholders, both internal and external to the Group, throughout the year.

Principal risks and uncertainties
The management of the business and the execution of the Company's and the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company and the Group are as follows:

Level of new production commissions
The success of the Company and the Group very much depends on new productions being commissioned by broadcasters. The demand for programme content from broadcasters remains high, however, there is no guarantee that new commissions will be secured.

COVID-19
As noted above, the Group's operations were disrupted in the prior year due to the effect of COVID-19. Whilst the virus appears to now be under control and production activities have resumed during the year, the Directors continue to monitor developments. Should the Directors anticipate further disruption, appropriate action will be taken to minimise the impact on the Group.

Future developments
Looking forward, the Directors intend to seek new commissions from broadcasters whilst also maximising returns from the Group's back catalogue of productions.

Key performance indicators
The Directors have monitored the performance of the Company and the Group with particular reference to the following key performance indicators:

- Results per subsidiary company, with individual subsidiaries typically being used for each production commissioned.
- Group result against budget.
- Available working capital and actual cash flow against budget.

Financial risk management objectives and policies
The Company and the Group use various financial instruments which include cash balances and other items, such as receivables and payables, which arise directly from its operations.

The main risks arising from the Company's and the Group's financial instruments are credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks, which are summarised below:

BABY COW PRODUCTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Credit risk
The Company's and the Group's principal financial assets are cash and trade and other receivables.

The credit risk associated with cash balances is limited as the Company and the Group use banks with high credit ratings assigned by international credit rating agencies.

With respect to trade receivables, our customers are typically large broadcasters and there is little credit risk. The Company and the Group have not experienced any significant trade receivable write-offs to date.

Liquidity risk
The Company and the Group seek to manage liquidity risk by ensuring sufficient financial resources are available within the Company and the Group to enable them to meet their working capital requirements as they fall due. Cashflow is monitored on an ongoing basis and the Company and the Group have been able to meet their working capital requirements throughout the course of the financial year.

On behalf of the board

DocuSigned by:
JRyland
D328DBC3FECB4F7..................
Jackline Ryland
Company Secretary

Date: 17/12/2023 | 21:00 GMT

BABY COW PRODUCTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

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

Results and dividends
The results for the year are set out on page 9.

The Group's profit for the year after taxation amounted to £26,241 (2022: £276,585).

No ordinary dividends were paid in both the current and prior year. The directors do not recommend payment of a further dividend.

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

Stephen Coogan	
Matthew Garside	
Jonathan Merrell	
Sarah Monteith	
BBC Studios Corporate Services Limited	(Resigned 13 October 2023)
Saul Venit	(Appointed 28 June 2023)

Research and development
The Company and the Group develop projects for television and, where certain criteria are met as disclosed in the notes to the financial statements, capitalise and amortise development costs. Where the outcome of projects does not meet the criteria for capitalisation, under UK adopted International Accounting Standards, development costs are expensed, or provided against where previously capitalised.

Post reporting date events
The entity has no post balance sheet events of note to report.

Auditor
FLB Audit LLP were appointed as the company's auditor in accordance with section 485 of the Companies Act 2006. The appointment of the auditor for the following year shall be subject to board decision at the next General Meeting.

BABY COW PRODUCTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of directors' responsibilities
The directors are responsible for preparing the annual 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 Group financial statements in accordance with UK-adopted International Accounting Standards ('UK IAS') and applicable law and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS101 '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 Group and of the Company and of the profit or loss of the Group for that period. In preparing each of the Group and the Company financial statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group and Company ability to continue as a going concern.

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.

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

Statement of disclosure to auditor
Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Going Concern
Accounting standards and company law require the Director to consider the appropriateness of the going concern basis when preparing the financial statements and if necessary to explain how they have reached their conclusion.

The Directors' are aware that should any of the creditors decide to call on their amounts due to them, the Group does not have the immediate ability to fully extinguish the debts to the extent of its net liabilities, being £1,445,219 as at 31 March 2023. The ultimate controlling party, who had £4,503,391 in total due to them from the Group, confirmed their intention to provide the Group with the financial support it requires to discharge its liabilities for a period of 12 months from the date of signing the financial statements. The Directors are of the opinion that the Group has the full support of the ultimate controlling party and have concluded that the Group can continue as a going concern, meeting its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

BABY COW PRODUCTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Strategic Report
The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Strategic Report, which would otherwise be required to be contained in the Directors Report:

- Future developments; and
- Financial risk management objectives and policies.

On behalf of the board

DocuSigned by:
JRyland
0328DBC3FECB4F7
Jackline Ryland
Company Secretary

Date: 17/12/2023 | 21:00 GMT

BABY COW PRODUCTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

Opinion

We have audited the financial statements of Baby Cow Productions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of comprehensive income, the group and parent company statement of financial position, the group and parent company statement of changes in equity, the group statement of cash flows and the group and parent company notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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 group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards and the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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

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 group's and parent 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information 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.

BABY COW PRODUCTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 legal and regulatory frameworks within which the Group and company operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and UK taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to management override risks included inquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and assessing the treatment of non-routine transactions. Our audit procedures to respond to revenue recognition risks included sample testing revenue across the period to agree to supporting documentation and reviewing revenue received either side of the period end to ensure this has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

BABY COW PRODUCTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BABY COW PRODUCTIONS LIMITED

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Daniel Faust
BAF338C2606D4C1

Daniel Faust (Senior Statutory Auditor)
For and on behalf of FLB Audit LLP
Statutory Auditor
1010 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

Date: 18/12/2023 | 07:49 GMT

BABY COW PRODUCTIONS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

Continuing operations	**Notes**	**2023** **£**	**2022** **£**
Revenue	**4**	6,053,462	10,156,508
Cost of sales		(5,623,810)	(9,092,702)
Gross profit		429,652	1,063,806
Other operating income	**6**	514,683	547,296
Administrative expenses		(1,918,803)	(2,107,974)
Operating loss	**7**	(974,468)	(496,872)
Investment revenues	**11**	3,943	53
Finance costs	**12**	(169,253)	(82,406)
Loss before taxation		(1,139,778)	(579,225)
Income tax income	**13**	1,166,019	855,810
Profit and total comprehensive income for the year		26,241	276,585

Profit and total comprenhensive income is all attributable to the owners of the parent company.

BABY COW PRODUCTIONS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Non-current assets			
Intangible assets	**15**	35,985	46,947
Property, plant and equipment	**16**	340,280	436,398
		376,265	483,345
Current assets			
Work in progress	**19**	2,610,024	4,748,789
Trade and other receivables	**20**	791,068	1,583,514
Current tax recoverable		83,318	855,810
Cash and cash equivalents		1,313,389	1,425,930
		4,797,799	8,614,043
Current liabilities			
Trade and other payables	**23**	2,302,934	1,889,597
Contract liabilities	**5**	94,860	4,717,559
Borrowings	**24**	3,933,865	3,600,032
Lease liabilities	**25**	79,388	74,036
		6,411,047	10,281,224
Net current liabilities		(1,613,248)	(1,667,181)
Non-current liabilities			
Lease liabilities	**25**	208,236	287,624
Net liabilities		(1,445,219)	(1,471,460)
Equity			
Called up share capital	**28**	96	96
Share premium account		199,912	199,912
Retained earnings		(1,645,227)	(1,671,468)
Total equity		(1,445,219)	(1,471,460)

The financial statements were approved by the board of directors and authorised for issue on 15/12/2023 | 15:19 GMT and are signed on its behalf by:

DocuSigned by:

Jonathan Merrell

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Jonathan Merrell
Director

Company registration number 03851811 (England and Wales)

BABY COW PRODUCTIONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Share premium account	Retained earnings	Total
	£	£	£	£
Balance at 1 April 2021	96	199,912	(1,948,053)	(1,748,045)
Year ended 31 March 2022:				
Profit and total comprehensive income	-	-	276,585	276,585
Balance at 31 March 2022	96	199,912	(1,671,468)	(1,471,460)
Year ended 31 March 2023:				
Profit and total comprehensive income	-	-	26,241	26,241
Balance at 31 March 2023	96	199,912	(1,645,227)	(1,445,219)

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

Retained earnings
Retained earnings include all cumulative retained profit and losses.

BABY COW PRODUCTIONS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash absorbed by operations	34		(2,113,685)		(900,267)
Income taxes refunded			1,938,511		525,032
Net cash outflow from operating activities			(175,174)		(375,235)
Investing activities					
Purchase of intangible assets		(31,854)		(34,500)	
Purchase of property, plant and equipment		-		(50,839)	
Interest received		3,943		53	
Upfront cost of right-of-use-asset		-		(9,923)	
Net cash used in investing activities			(27,911)		(95,209)
Financing activities					
Proceeds from borrowings		2,780,000		2,600,000	
Repayment of borrowings		(2,450,000)		(2,651,600)	
Payment of lease liabilities		(74,036)		(107,870)	
Interest paid		(169,253)		(69,307)	
Net cash generated from/(used in) financing activities			86,711		(228,777)
Net decrease in cash and cash equivalents			(116,374)		(699,221)
Cash and cash equivalents at beginning of year			1,425,898		2,125,119
Cash and cash equivalents at end of year			1,309,524		1,425,898
Relating to:					
Bank balances and short term deposits			1,313,389		1,425,930
Bank overdrafts			(3,865)		(32)

1 Accounting policies

Company information

Baby Cow Productions Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Television Centre, 101 Wood Lane, London, W12 7FA. The Company's principal activities and nature of its operations are disclosed in the directors' report.

The Group consists of Baby Cow Productions Limited and all of its subsidiaries and the Group's interests in joint ventures.

1.1 Accounting convention

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('UK IAS') and in accordance with those parts of the Companies Act 2006 applicable to groups reporting under UK IAS.

The Company financial statements have been prepared under FRS101 'Reduced Disclosure Framework'.

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

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

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

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of 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 (i) paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements, (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment, (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements of 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;
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- the requirements of the second sentenced of paragraph 110, 113(a), 114, 115 ,118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

As permitted by FRS101, the Company has taken advantage of the disclosure exemptions available under that Standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, Standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 *Accounting policies* ***(Continued)***

1.2 Basis of consolidation

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

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

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

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

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

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

1.3 Going concern

Accounting standards and company law require the Director to consider the appropriateness of the going concern basis when preparing the financial statements and if necessary to explain how they have reached their conclusion.

The Directors' are aware that should any of the creditors decide to call on their amounts due to them, the Group does not have the immediate ability to fully extinguish the debts to the extent of its net liabilities, being £1,445,219 as at 31 March 2023. The ultimate controlling party, who had £4,503,391 in total due to them from the Group, confirmed their intention to provide the Group with the financial support it requires to discharge its liabilities for a period of 12 months from the date of signing the financial statements. The Directors are of the opinion that the Group has the full support of the ultimate controlling party and have concluded that the Group can continue as a going concern, meeting its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

1 Accounting policies **(Continued)**

1.4 Revenue

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

Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS 15 to meet 'over time' recognition. The default category, if none of these criteria are met, is 'point in time' recognition. Refer to the Group's revenue streams below for which category the revenue recognition generally meets.

Revenue is recognised exclusive of Value Added Tax.

The group recognises revenue from the following major sources:

- Production revenue
- Content and format sales

The nature, timing of satisfaction of performance obligations and significant payment terms of the group's major sources of revenue are as follows:

Production revenue

Production revenue is recognised on delivery of the related programme and in accordance with the underlying contract. The payment terms are over the terms of the contract.

Content and format sales

Content and format sales are recognised on the later of the start of the licence period (taking into account any hand back dates) or when the Group's performance obligations have been satisfied. For content sales, the performance obligation will generally be to deliver the associated programme to the customer, therefore, revenue is recognised 'episodically' on delivery of each episode.

For format sales, there are two performance obligations - to provide the format 'bible' and in some cases to provide assistance. Revenue is allocated to each of these performance obligations based on stand-alone selling prices and recognition is at two separate 'points in time'. the payment terms are over the term of the contract.

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

1.5 Goodwill

Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is recognised at cost less accumulated impairment losses.

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

Gains and losses arising on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies **(Continued)**

1.6 Intangible assets other than goodwill

Development costs

Research expenditure is written off to the consolidated income statement in the year in which it was incurred. Development expenditure is written off in the same way unless the Directors are satisfied that it meets the criteria set out In iAS38 as to the technical, commercial and financial viability of individual project. In this situation, the expenditure is capitalised and amortised over the period during which the Group is expected to benefit. This is assessed on a project by project basis, when a project reaches completion, and the amortisation period is 10 years or less on a straight line basis. Trademark costs are capitalised and amortised over the period during which the Group is expected to benefit. The amortisation period is 10 years on a straight line basis.

Trademarks

Trademark costs are capitalised and amortised over the period during which the Group is expected to benefit. The amortisation period is 10 years on a straight line basis.

1.7 Property, plant and equipment

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

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

Leasehold property	Straight line over the lease term
Leasehold improvements	Straight line over the lease term
Fixtures and fittings	25% reducing balance basis
Office equipment	25% reducing balance basis

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

Leasehold property includes the right-of-use assets.

1.8 Non-current investments

Interests in subsidiaries and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

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

1 Accounting policies **(Continued)**

1.9 Impairment of tangible and intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstance indicate that they might be impaired. Other assets are tested of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (Cash-generating units). Non0financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.10 Work in progress

Work in progress comprises expenditure on television programme productions in progress. The amounts will be recognised as cost of sales when related income is recognised on delivery of the associated television programme productions. Work in progress is valued at the lower of cost and net realisable value.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts, as they are considered an integral part of the Group's cash management.

1.12 Financial assets

The Group classifies its financial assets in the following categories:

- amortised cost; and
- fair value through profit or loss (FVPL);

The classification depends on the purpose for which the financial assets were acquired, ie, the Group's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial assets.

Regular way purchases and sales of financial assets are recognised on the trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are subsequently measured at fair value with gains or losses recognised in profit or loss and presented net within other operating income in the period in which they arise. Fair values are determined by reference to active markets or using valuation techniques where no active market exists.

1 Accounting policies **(Continued)**

Financial assets held at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met (and the financial assets are not designated at FVPL):

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest

Subsequent to initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss in other operating income. Impairment losses are presented as a separate line item in profit or loss headed 'net impairment losses on financial and contract assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognized at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables, and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.13 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Creditors are presented as current liabilities unless payment is not due within 12 months after the reporting date.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, in which case they are classified as non-current liabilities.

Derecognition of financial liabilities

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

1.14 Equity instruments

Equity comprises of the following:

- Share capital represents the nominal value of the equity shares;
- Share premium represents the excess over nominal value of the fair value of consideration received from the equity shares, net of expenses of the share issue; and
- Retained earnings represent accumulated profits and losses since incorporation less any dividends paid.

1.15 Taxation

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

Current tax

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

High-end television tax credits are included in the consolidated income statement once the associated calculations have been prepared and are ready to be submitted to HM Revenue and Customs.

1 Accounting policies (Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.16 Employee benefits

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

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

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

1.17 Retirement benefits

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.18 Leases

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

1 Accounting policies **(Continued)**

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

Right-of-use assets are initially measured at cost, comprising the following:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before commencement of the lease less any lease incentives received;
- any initial direct costs; and
- restoration costs.

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

Right-of-use assets are depreciated over the shorter of the assets' remaining lease term or over the remaining economic life, if shorter, on a straight-line basis. The amortisation period for right-of-use assets is as follows:

Right-of-use asset - office building	5 years

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

Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method.

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

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

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

Short-term leases are leases with a term of 12 months or less. The Group also holds low-value assets which comprise of an office copier and a small storage box. The lease payments for both of these items are recognise as an operating expense on a straight-line basis over the term of the associated lease.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised standards, amendments and interpretations have been adopted by the Group. The impact of the adoption of these standards and amendments is not deemed to have a material effect on the current or prior period, and is not anticipated to have a material effect on future periods:

- Amendment to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies
- IFRS 17 Insurance Contracts, including Amendments to IFRS 17 and Initial Application of IFRS 17 and IFRS 9 - Comparative Information
- Annual Improvements to IFRS 2018-2020: Amendment to IFRS 1 First Time Adoption of IFRS (Subsidiary as a First-time Adopter), Amendments to IFRS 9 Financial Instruments (Fees in the '10 per cent' test for Derecognition of Financial Liabilities) and Amendment to IAS 41 Agriculture (Taxation in Fair Value Measurements).
- Amendment to IAS 37 - Onerous Contracts: Costs of Fulfilling a Contract
- Amendment to IAS 16 - Property Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3 - Reference to the Conceptual Framework

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK):

- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants, Deferral of Effective Date Amendment (published 15 July 2020) and Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (published 23 January 2020).
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The Directors anticipate that the adoption of these standards, amendments and interpretations in future periods will not have a material impact on the financial statements of the Group.

3 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual outcomes may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Critical judgements
Impairment of non-financial assets
The Group is required to consider non-financial assets for impairment where such indicators exist using value in use calculations or fair value estimates. The use of these methods may require the estimation of future cash flows and the estimation of a discount rate in order to calculate the present value of the cash flows.

Developments costs
Development projects are assessed at the end of each financial period to ascertain if they meet the criteria for capitalisation, as referred to in the accounting policy notes, and also to consider whether the capitalised values have been impaired.

3 Critical accounting estimates and judgements (Continued)

Revenue recognition

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

4 Revenue

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

	2023	2022
	£	£
Revenue analysed by class of business		
Production	5,212,416	8,998,624
Distribution	841,046	1,157,884
	6,053,462	10,156,508

5 Contracts with customers - Group

	2023 Period end	2022 Period end	2022 Period start
	£	£	£
Contracts in progress			
Contract liabilities	(94,860)	(4,717,559)	(2,147,450)

Contract assets primarily relate to the Group's right to consideration for work completed but not billed at year end. Contract liabilities primarily relate to consideration received from customers in advance of transferring a good or delivering a service. The following table provides an analysis of significant changes to contract assets and liabilities during the year.

Analysis of contract liabilities	2023	2022
	£	£
At 1 April	4,717,559	2,147,450
Decrease due to revenue recognised in the year	(4,717,559)	(2,147,450)
Increase due to cash received in advance	94,860	4,717,559
At 31 March	94,860	4,717,559

The Group had no contract assets at 31 March 2023 or 31 March 2022.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Other operating income

	2023 £	2022 £
Insurance claim receipts - costs arising on delayed productions	514,683	547,296

7 Operating loss

Operating loss for the year is stated after charging/(crediting):	2023 £	2022 £
Research and development costs	10,566	1,381
Depreciation of owned property, plant and equipment	12,222	8,079
Depreciation of right-of-use asset	83,896	109,957
(Profit)/loss on disposal of property, plant and equipment	-	5,562
Amortisation of intangible assets	1,050	393
Loss on disposal of intangible assets	41,766	50,455
Goodwill impairment charge	-	13,470

8 Auditor's remuneration

Fees payable to the Company's auditor and associates:	2023 £	2022 £
For audit services		
Audit of the financial statements of the Group and Company	17,500	9,000
For other services		
Tax services	22,500	2,100
Other non-audit services	21,250	30,200
Total non-audit fees	43,750	32,300

9 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2023 Number	2022 Number
Directors	2	5
Production	21	24
Administration	5	6
Total	28	35

9 Employees (Continued)

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	1,300,324	1,923,697
Social security costs	158,839	232,270
Pension costs	14,264	14,614
	1,473,427	2,170,581

10 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	394,750	495,698
Company pension contributions to defined contribution schemes	2,642	2,642
	397,392	498,340

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	260,297	330,552
Company pension contributions to defined contribution schemes	1,321	1,321

11 Investment income

	2023 £	2022 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	3,943	53

12 Finance costs

	2023 £	2022 £
Interest on lease liabilities	22,972	13,099
Other interest payable	146,281	69,307
Total interest expense	169,253	82,406

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

13 Income tax

	2023	2022
	£	£
Current tax		
Tax credits	(1,166,019)	(855,810)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2023	2022
	£	£
Loss before taxation	(1,139,778)	(579,225)
Expected tax credit based on a corporation tax rate of 19.00% (2022: 19.00%)	(216,558)	(110,053)
Effect of expenses not deductible in determining taxable profit	5,239	8,011
Change in unrecognised deferred tax assets	175,400	81,818
Depreciation in excess of capital allowance	35,919	20,224
Tax credits	(1,166,019)	(855,810)
Taxation credit for the year	(1,166,019)	(855,810)

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. The expected future impact of this will be an increase in current tax charges for any profits taxed at the main rate.

The Group has tax adjusted losses carried forward of £9,264,309 (2022: £7,832,388) for which a deferred tax asset of £504,366 (2022: £541,382) has not been recognised, as the timing of future taxable profits arising within the Group against which to utilise these losses, is uncertain. The value of the unrecognised deferred tax asset disclosed is calculated at 25%, being the rate of tax expected.

The tax adjusted losses carried forward do not have an expiry date.

14 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2023	2022
	£	£
In respect of:		
Goodwill	-	13,470
Recognised in:		
Administrative expenses	-	13,470

15 Intangible assets

	Goodwill	Development costs	Other intangibles	Total
	£	£	£	£
Cost				
At 1 April 2021	13,470	63,294	-	76,764
Additions	-	24,000	10,500	34,500
Disposals	-	(50,454)	-	(50,454)
At 31 March 2022	13,470	36,840	10,500	60,810
Additions - purchased	-	31,854	-	31,854
Disposals	-	(41,766)	-	(41,766)
At 31 March 2023	13,470	26,928	10,500	50,898
Amortisation and impairment				
Charge for the year	-	-	393	393
Impairment loss	13,470	-	-	13,470
At 31 March 2022	13,470	-	393	13,863
Charge for the year	-	-	1,050	1,050
At 31 March 2023	13,470	-	1,443	14,913
Carrying amount				
At 31 March 2023	-	26,928	9,057	35,985
At 31 March 2022	-	36,840	10,107	46,947

16 Property, plant and equipment
Group and Company

	Leasehold property	Leasehold improvements	Office equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 April 2021	349,061	-	178,428	31,430	558,919
Additions	419,480	42,074	-	8,765	470,319
Disposals	(349,061)	-	(153,632)	(22,287)	(524,980)
At 31 March 2022	419,480	42,074	24,796	17,908	504,258
At 31 March 2023	419,480	42,074	24,796	17,908	504,258

16 Property, plant and equipment **(Continued)**

Group and Company	Leasehold property	Leasehold improvements	Office equipment	Fixtures and fittings	Total
	£	£	£	£	£
Accumulated depreciation and impairment					
At 1 April 2021	274,061	-	168,868	26,312	469,241
Charge for the year	109,957	3,506	2,390	2,183	118,036
Eliminated on disposal	(349,061)	-	(150,306)	(20,050)	(519,417)
At 31 March 2022	34,957	3,506	20,952	8,445	67,860
Charge for the year	83,896	8,415	961	2,846	96,118
At 31 March 2023	118,853	11,921	21,913	11,291	163,978
Carrying amount					
At 31 March 2023	300,627	30,153	2,883	6,617	340,280
At 31 March 2022	384,523	38,568	3,844	9,463	436,398

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	2023	2022
	£	£
Net values at the year end		
Property	300,627	384,523
Depreciation charge for the year		
Property	83,896	109,957

The Group and the Company is the lessee for one lease which is accounted for as right-of-use asset and the underlying asset is office space. Details of the associated lease liability are set out in note 25.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

17 Subsidiaries

Details of the Company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Address	Principal activities	Class of shares held	% Held Direct	% Held Indirect
Baby Cow Films Limited	UK	Production of films	Ordinary	100.00	-
Baby Cow Manchester Limited	UK	Production of television programmes	Ordinary	100.00	-
Baby Cow Animation Limited	UK	Production of television programmes	Ordinary	100.00	-
Baby Cow Animation (Wussywat) Limited	UK	Production of television programmes	Ordinary	-	100.00
Baby Cow Productions (Red Dwarf) Limited	UK	Production of television programmes	Ordinary	-	100.00
Baby Cow Productions (Hunderby) Limited	UK	Production of television programmes	Ordinary	-	100.00
Baby Cow Productions (Partridge) Limited	UK	Production of television programmes	Ordinary	-	100.00
Baby Cow Animation (Warren) Limited	UK	Dormant	Ordinary	-	100.00
The Last Holiday Limited	UK	Production of films	Ordinary	-	100.00
Alan Partridge Limited	UK	Production of films	Ordinary	-	100.00
Baby Cow Productions (Witchfinder) Limited	UK	Production of television programmes	Ordinary	100.00	-
Philomena Lee Limited	UK	Production of films	Ordinary	-	100.00
Lost Child Limited	UK	Production of films	Ordinary	-	100.00
Baby Cow Productions (Chivalry) Limited	UK	Production of television programmes	Ordinary	100.00	-
Baby Cow Productions (Changing Ends) Limited	UK	Production of television programmes	Ordinary	100.00	-

Registered office addresses (all UK unless otherwise indicated):

1 Television Centre, 101 Wood Lane, London, United Kingdom, W12 7FA

Baby Cow Production (Changing Ends) Limited has a non-coterminous year-end to the Group and interim financial information has been included in these consolidated financial statements. Baby Cow Production (Changing Ends) Limited was incorporated on 4 October 2022.

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

The subsidiaries listed below were dissolved after the reporting date but prior to the date of signing this report;

- Baby Cow Animation (Wussywat) Limited;
- Baby Cow Productions (Hunderby) Limited; and
- Baby Cow Animation (Warren) Limited.

18 Joint ventures

Details of the group's joint ventures at 31 March 2023 are as follows:

Name of undertaking	Registered office	Principal activities	% Held Direct
Moone Boy (UK) Limited	UK	Production of television programmes	50.00

The Group's share of joint ventures' net results and net liabilities have been included at £nil (2022: £nil).

19 Work in progress

	2023 £	2022 £
Production costs	2,610,024	4,748,789

20 Trade and other receivables

	2023 £	2022 £
Trade receivables	91,234	1,062,401
VAT recoverable	414,376	-
Other receivables	190,262	488,793
Prepayments	95,196	32,320
	791,068	1,583,514

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

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these receivables do not have a significant financing component. The Group has a relatively small number of customers and impairment is considered by individual customer. No credit losses have been recognising during either the current or prior year.

21 Credit risk

Fair value of trade receivables
The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

The Group considers its exposure to credit risk which the directors determine as being the risk that trade receivables, or other receivables, are not recoverable from the counterparty.

At 31 March 2023, trade receivables are shown net of an allowance for doubtful debts of £Nil (2022: £Nil). Write-offs, reversals and new provisions were all £Nil during the year (2022: £Nil).

The expected credit loss rate applied to trade receivables is based on the Group's historical credit losses experience over the 3 year period to 31 March 2023, which are nil. As such, management has not elected to provide for any expected credit losses arising against trade receivables outstanding at the period end.

With respect to trade receivables, our customers are typically large broadcasters and there is little credit risk. The Company and the Group have not experienced any significant trade receivable write-offs to date.

22 Liquidity risk

The following table details the remaining contractual maturity for the Group's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the group may be required to pay.

	Less than 1 month	3 months to 1 year	Total
	£	£	£
At 31 March 2022			
Trade and other payables	1,651,835	-	1,651,835
Loans from parent undertaking	-	3,600,000	3,600,000
	1,651,835	3,600,000	5,251,835
At 31 March 2023			
Trade and other payables	1,971,347	-	1,971,347
Loans from parent undertaking	-	3,930,000	3,930,000
	1,971,347	3,930,000	5,901,347

Liquidity risk management
Responsibility for liquidity risk management rests with the board of directors, who have established an appropriate liquidity risk management framework suitable to the needs and considerations of the Group's funding and liquidity management requirements.

The Group's short term liquidity objectives are to ensure its trade and other payable balances are settled as they fall due and its working capital requirements are funded through a combination of the profits generated by the Group's principal operating activities and short term support available from the wider group should the need arise. Therefore the Group's key short term liquidity risk response is to ensure the working relationship with customers and suppliers is well managed and maintained to ensure payment terms are adhered to by its customers to enable the Group to settle its payables as they fall due.

23 Trade and other payables

	2023	2022
	£	£
Trade payables	733,536	397,422
Amount owed to parent undertaking	69,354	-
Accruals	476,149	454,795
Social security and other taxation	331,587	237,762
Dividends payable	504,037	504,037
Other payables	188,271	295,581
	2,302,934	1,889,597

Amounts owed to parent undertaking, consist of intercompany loans which are unsecured, carry no interest, and are repayable on demand.

24 Borrowings

	2023	2022
	£	£
Borrowings held at amortised cost:		
Bank overdrafts	3,865	32
Loans from parent undertaking	3,930,000	3,600,000
	3,933,865	3,600,032

24 Borrowings (Continued)

Loans from parent undertaking
BBC Studios Distribution Limited, controlled by the ultimate parent company, is considered to be a related party. All loans from parent undertaking relate to the loans provided to the Group by BBC Studios Distribution Limited.

Included in the loan is an amount of £nil (2022: £100,000) with a loan facility of £2,751,600 for future identified productions. Interest was charged on the loan at 2% plus LIBOR (replaced by SONIA from 1 January 2022) per annum and was secured over the produced content. These loans were settled in full during the year.

Included in the loan is an amount of £1,300,000 (2022: £1,350,000) with a loan facility of £1,500,000. Interest is charged on the loan at 4% plus LIBOR (replaced by SONIA from 1 January 2022) per annum and is unsecured. The loan is a rolling credit facility.

Included in the loan is an amount of £nil (2022: £1,450,000) with a loan facility of £1,500,000 for the production of 'Chivalry'. Interest was charged on the loan at 2% plus LIBOR (replaced by SONIA from 1 January 2022) per annum and was secured over the produced content. These loans were settled in full during the year.

Included in the loan is an amount of £nil (2022: £700,000) with a loan facility of £700,000 for the production of 'Witchfinder'. Interest was charged on the loan at 2% plus LIBOR (replaced by SONIA from 1 January 2022) per annum and was secured over the produced content. These loans were settled in full during the year.

Included in the loan is an amount of £2,630,000 (2022: £nil) with a loan facility of £3,180,000 for the production and development of television series 'Changing Ends'. Interest is charged on the loan at 2% plus SONIA per annum and is secured over the produced content. The loan of £2,000,000 and £630,000 is repayable on 31 July 2023 and 31 January 2024 respectively.

During the year, the Group received loans totalling £2,630,000 (2022: £2,600,000) and made repayments of £2,300,000 (2022: £2,651,600). The balance outstanding at the year end is £3,930,000 (2022: £3,600,000).

25 Lease liabilities
Group and Company

The Group and Company leases its office building; information about the lease for which the Company and Group is a lessee is presented below. The leasehold property is presented in note 16.

Maturity analysis	2023 £	2022 £
Within one year	97,008	97,008
In two to five years	226,617	323,625
Total undiscounted liabilities	323,625	420,633
Less future finance charges and effect of discounting	(36,001)	(58,973)
Lease liabilities in the financial statements	287,624	361,660

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Lease liabilities (Continued)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023	2022
	£	£
Current liabilities	79,388	74,036
Non-current liabilities	208,236	287,624
	287,624	361,660

	2023	2022
Amounts recognised in profit or loss include the following:	£	£
Interest on lease liabilities	22,972	13,099

26 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	14,264	14,614

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Contributions totalling £3,249 (2022: £3,579) were payable to the fund at the year end and are included in other creditors.

27 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	281,496	1,551,193
Carrying amount of financial liabilities		
Measured at amortised cost	6,188,071	6,613,195

Financial assets measured at amortised cost comprise of trade receivables and other receivables.

Financial liabilities measured at amortised cost comprise trade payables, accruals, other payables, lease liabilities and loans from parent undertaking.

28 Share capital

	2023	2022	2023	2022
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of 1p each	2,406	2,406	24	24
Ordinary 'A' shares of 1p each	7,218	7,218	72	72
	9,624	9,624	96	96

The Company does not specify authorised share capital.

All shares have full voting rights and full participation in income and capital distributions.

In the prior year, 450 Ordinary 'B' Shares were re designated to 450 Ordinary 'A' share and 150 Ordinary 'B' shares were re-designated to 150 Ordinary shares.

29 Capital risk management

The Group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the mix of debt and equity. The Group's overall capital structure and capital risk management strategy remains unchanged from the prior year as the directors believe the objectives of the Group are being met under the current strategy.

The capital structure of the Group consists of intragroup debt (note 24), lease liabilities (note 25), share premium account and the historic retained earnings of the Group.

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

30 Related party transactions

Key management personnel
All Directors are considered to be the key management personnel and their remuneration is disclosed in note 10. A separate analysis of remuneration paid to key management personnel has therefore not been presented.

Other transactions with related parties
During the year the Group entered into the following transactions with related parties:

	Sales		Interest charged	
	2023	2022	2023	2022
	£	£	£	£
Parent company	590,578	8,029,404	171,280	79,398

Sales to the parent company relates to the distribution income of £590,578 (2022: £1,004,977) and production income of £nil (2022: £7,024,427) received from BBC Studios Distribution Limited, the immediate parent company.

Interest charged from the parent company relates to interest charged on various loans provided to the Group. Further details are provided in note 23.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

30 Related party transactions **(Continued)**

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	**2023** **£**	**2022** **£**
Parent company	4,503,391	4,104,037

Amounts due to the parent company comprise of loans received of £3,930,000 (2022: £3,600,000) from the immediate parent company, BBC Studios Distribution. Further details are provided in note 23.

Included are also the intercompany loans of £69,354 (2022: £nil) and dividends payable of £504,037 (2022: £504,037) which are unsecured, carry no interest, and are repayable on demand.

Other information
The Company has taken advantage of the FRS 101 exemption for qualifying entities from disclosing 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 member of that group.

31 Directors' transactions

During the year £94,024 (2022: £67,134) of expense were paid by the directors on behalf of the Group and £83,818 (£2022: £68,842) of expenses were paid by the Group on behalf of the directors. At the year end the Directors' loan accounts were in a credit positions of £12,909 (2022: £2,703).

32 Controlling party

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

The ultimate controlling party is the British Broadcasting Corporation (BBC) which is incorporated in the United Kingdom by the Royal Charter.

The largest group in which the results of the Group are consolidated is that headed by the BBC. The consolidated accounts of the BBC may be obtained online at www.bbc.co.uk/annualreport.

33 Financial commitments, guarantees and contingent liabilities

Pathe Productions Limited, Film Finances Inc, The Screen Actors Guild-American Federation of Television and Radio Artists, and the British Broadcasting Corporation hold charges over the Group companies Lost Child Limited and Philomena Lee Limited with respect to all of the rights, title and interest in the film entitled "Philomena".

The British Film Institute holds a charge over the Group companies Lost Child Limited and Philomena Lee Limited with respect to all the rights, title, and interest in the film entitled "Philomena", excluding only the UK tax credit account and the UK tax credit receipts.

Charges have been made against the Group company Alan Partridge Limited in favour of the following parties in respect of a film produced by that Group company and to secure their interest in the copyright and title of the film: Film Finance Inc, British Broadcasting Corporation, Studiocanal Limited, and The British Film Institute.

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

34 Cash absorbed by operations

	2023	2022
	£	£
Profit for the year after income tax	26,241	276,585
Adjustments for:		
Taxation credit	(1,166,019)	(855,810)
Finance costs	169,253	82,406
Investment income	(3,943)	(53)
(Gain)/loss on disposal of property, plant and equipment	-	5,562
Loss on disposal of intangibles	41,766	50,455
Amortisation and impairment of intangible assets	1,050	13,863
Depreciation and impairment of property, plant and equipment	12,222	8,079
Depreciation of right-of-use lease asset	83,896	109,957
Movements in working capital:		
Decrease/(increase) in work in progress	2,138,765	(2,194,629)
Decrease/(increase) in trade and other receivables	792,446	(1,420,928)
(Decrease)/increase in contract liabilities	(4,622,699)	2,570,109
Increase in trade and other payables	413,337	454,137
Cash absorbed by operations	(2,113,685)	(900,267)

35 Reconciliation of liabilites arising from financing activities

	1 April 2022	Cash flows	Interest charged	New finance leases	31 March 2023
	£	£	£	£	£
Cash at bank and in hand	1,425,930	(112,541)	-	-	1,313,389
Bank overdrafts	(32)	(3,833)	-	-	(3,865)
	1,425,898	(116,374)	-	-	1,309,524
Borrowings excluding overdrafts	(3,600,000)	(183,719)	(146,281)	-	(3,930,000)
Obligations under finance leases	(361,660)	97,008	(22,972)	-	(287,624)
	(2,535,762)	(203,085)	(169,253)	-	(2,908,100)

BABY COW PRODUCTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

35 Reconciliation of liabilites arising from financing activities **(Continued)**

Prior year:	1 April 2021 £	Cash flows £	Interest charged £	New finance leases £	31 March 2022 £
Cash at bank and in hand	2,125,119	(699,189)	-	-	1,425,930
Bank overdrafts	-	(32)	-	-	(32)
	2,125,119	(699,221)	-	-	1,425,898
Borrowings excluding overdrafts	(3,651,600)	120,907	(69,307)	-	(3,600,000)
Obligations under finance leases	(46,875)	107,870	(13,099)	(409,556)	(361,660)
	(1,573,356)	(470,444)	(82,406)	(409,556)	(2,535,762)

BABY COW PRODUCTIONS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Non-current assets					
Intangible assets	38		9,057		10,107
Property, plant and equipment	16		340,280		436,398
Investments	39		9		9
			349,346		446,514
Current assets					
Work in progress	40	-		130,431	
Contract assets	41	-		130,898	
Trade and other receivables	42	460,672		1,086,533	
Cash and cash equivalents		1,235,253		853,058	
		1,695,925		2,200,920	
Current liabilities	43	(3,265,863)		(3,838,138)	
Net current liabilities			(1,569,938)		(1,637,218)
Total assets less current liabilities			(1,220,592)		(1,190,704)
Non-current liabilities	43		(208,236)		(287,624)
Net liabilities			(1,428,828)		(1,478,328)
Equity					
Called up share capital			96		96
Share premium account			199,912		199,912
Retained earnings			(1,628,836)		(1,678,336)
Total equity			(1,428,828)		(1,478,328)

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The Company's profit for the year was £49,500 (2022 - £273,794 profit).

The financial statements were approved by the board of directors and authorised for issue on 15/12/2023 | 15:19 GMT and are signed on its behalf by:

DocuSigned by:

Jonathan Merrell

7D4E123FC08D41D

Jonathan Merrell

Director

Company registration number 03851811 (England and Wales)

BABY COW PRODUCTIONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Share premium account	Retained earnings	Total
	£	£	£	£
Balance at 1 April 2021	96	199,912	(1,952,130)	(1,752,122)
Year ended 31 March 2022:				
Profit and total comprehensive income	-	-	273,794	273,794
Balance at 31 March 2022	96	199,912	(1,678,336)	(1,478,328)
Year ended 31 March 2023:				
Profit and total comprehensive income	-	-	49,500	49,500
Balance at 31 March 2023	96	199,912	(1,628,836)	(1,428,828)

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

Retained earnings
Retained earnings include all cumulative retained profit and losses.

36 Accounting policies - Company

Company information

Baby Cow Productions Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Television Centre, 101 Wood Lane, London, W12 7FA. The company's principal activities and nature of its operations are disclosed in the directors' report.

36.1 Accounting convention

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('UK IAS') and in accordance with those parts of the Companies Act 2006 applicable to Company's reporting under UK IAS.

The Company financial statements have been prepared under FRS101 'Reduced Disclosure Framework'.

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

The Company applies accounting policies consistent with those applied by the Group. To the extent that an accounting policy is relevant to both Group and parent Company financial statements, please refer to the group financial statements for disclosure of the relevant accounting policy.

37 Employees - Company

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Directors	2	5
Production	5	4
Administration	5	6
Total	12	15

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	1,300,324	1,296,700
Social security costs	158,839	160,407
Pension costs	14,264	14,614
	1,473,427	1,471,721

BABY COW PRODUCTIONS LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

38 Intangible assets - Company

	Other intangibles £
Cost	
Additions	10,500
At 31 March 2022	10,500
At 31 March 2023	10,500
Amortisation and impairment	
Charge for the year	393
At 31 March 2022	393
Charge for the year	1,050
At 31 March 2023	1,443
Carrying amount	
At 31 March 2023	9,057
At 31 March 2022	10,107

39 Investments - Company

		Current		Non-current	
		2023	2022	2023	2022
	Notes	£	£	£	£
Investments in subsidiaries	17	-	-	9	9
Investments in joint ventures	18	-	-	-	-

Movements in non-current investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022 & 31 March 2023	9
Carrying amount	
At 31 March 2023	9
At 31 March 2022	9

40 Work in progress - Company

	2023	2022
	£	£
Production costs	-	130,431

41 Contracts with customers - Company

	2023 Period end £	2022 Period end £	2022 Period start £
Contracts in progress			
Contract assets	-	130,898	-
Contract liabilities	-	(960,729)	-

Analysis of contract assets	2023	2022
	£	£
At 1 April	130,898	-
New contract assets	-	130,898
Decrease due to utilisation of contract assets	(130,898)	-
	-	130,898

Analysis of contract liabilities	2023	2022
	£	£
At 1 April	960,729	585,000
Increase due to cash received in advance	-	375,729
Decrease due to revenue recognised in the year	(960,729)	-
	-	960,729

42 Trade and other receivables - Company

	2023	2022
	£	£
Trade receivables	91,234	354,456
Amounts owed by fellow group undertakings	105,607	530,694
Other receivables	185,768	169,062
Prepayments and accrued income	78,063	32,321
	460,672	1,086,533

Amounts owed by fellow group undertakings, consist of intercompany loans of £568,200 (2022: £1,108,303) which are unsecured, carry no interest and are repayable on demand. The carrying value of the loans are stated net of accumulated impairments of £462,593 (2022: £577,609).

43 Liabilities - Company

		Current		Non-current	
		2023	2022	2023	2022
	Notes	£	£	£	£
Borrowings	44	1,300,000	1,450,000	-	-
Trade and other payables	45	1,767,451	1,188,567	-	-
Contract liabilities	41	-	960,729	-	-
Taxation and social security		119,024	164,806	-	-
Lease liabilities	25	79,388	74,036	208,236	287,624
		3,265,863	3,838,138	208,236	287,624

44 Borrowings - Company

	2023	2022
	£	£
Borrowings held at amortised cost:		
Loans from parent undertaking	1,300,000	1,450,000

Loans from parent undertaking
BBC Studios Distribution Limited is considered to be a related party as it is controlled by the ultimate parent company. All loans from parent undertaking relate to the loans provided to the Group by BBC Studios Distribution Limited.

Included in the loan is an amount of £nil (2022: £100,000) with a loan facility of £2,751,600 for future identified productions. Interest was charged on the loan at 2% plus LIBOR (replaced by SONIA from 1 January 2022) per annum and was secured over the produced content. These loans were settled in full during the year.

Included in the loan is an amount of £1,300,000 (2022: £1,350,000) with a loan facility of £1,500,000. Interest is charged on the loan at 4% plus LIBOR (replaced by SONIA from 1 January 2022) per annum and is unsecured. The loan is a rolling credit facility.

45 Trade and other payables - Company

	2023	2022
	£	£
Trade payables	618,714	340,206
Amounts owed to fellow group undertakings	351,290	-
Accruals	136,423	309,579
Dividends payable	504,037	504,037
Other payables	156,987	34,745
	1,767,451	1,188,567

Amounts owed to fellow group undertakings, consist of intercompany loans, which are unsecured, carry no interest and are repayable on demand.