

Registered number 05860159

## All3Media Finance Limited

Report and Financial Statements

31 December 2018



## **All3Media Finance Limited**

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## **All3Media Finance Limited**

### **Company information**

<b>Directors</b>	A McMullen S Geater V Turton
<b>Registered office</b>	Berkshire House 168-173 High Holborn London WC1V 7AA
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

## **All3Media Finance Limited**

### **Strategic report for the year ended 31 December 2018**

The directors present their Strategic Report for the year ended 31 December 2018.

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

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

The loss for the financial year amounted to £13,487,637 (2017: loss £28,005,869).

As at 31 December 2018, shareholders' funds total £43,294,506 (2017: £56,782,143).

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

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

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

The directors of DLG Acquisitions Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of All3Media Finance Limited. The development, performance and position of DLG Acquisitions Limited group, which includes the company, are discussed in the group's financial statements which do not form part of this report.

Approved by the Board on 14 June 2019 and signed on behalf of the Board:



A McMullen  
Director

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

## **All3Media Finance Limited**

### **Directors' report for the year ended 31 December 2018**

The directors present their Directors' Report and the audited financial statements for the year ended 31 December 2018.

#### **Future Outlook**

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

#### **Dividends**

Aggregate dividends paid for the year totalled £nil (2017: £nil).

#### **Financial Risk Management**

Through its trading activities the company is exposed to certain levels of credit, interest rate, currency and liquidity risk. Main credit risk arises from customers not meeting payment terms however this is monitored closely by management. Interest risk arises on cash balances subject to interest based on floating rates. Currency risk arises as certain debtors are denominated in foreign currencies. The company funds its operations from trading activities.

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

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

A McMullen  
S Geater  
V Turton

The company maintains liability insurance for its directors and officers.

## All3Media Finance Limited

### Directors' report for the year ended 31 December 2018 (continued)

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

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

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

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

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

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

#### Directors' confirmations

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

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

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

#### Reappointment of independent auditors

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

Approved by the Board on 14 June 2019 and signed on behalf of the Board:



A McMullen  
Director

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

## **All3Media Finance Limited**

### **Independent auditors' report to the members of All3Media Finance Limited**

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

##### **Opinion**

In our opinion, All3Media Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the year then ended 31 December 2018; and the notes to the financial statements, which include a description of the significant accounting policies.

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

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

##### *Independence*

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

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

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

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

## All3Media Finance Limited

### Independent auditors' report to the members of All3Media Finance Limited (continued)

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

##### *Use of this report*

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

### Other required reporting



## **All3Media Finance Limited**

### **Independent auditors' report to the members of All3Media Finance Limited (continued)**

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

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

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

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

14 June 2019

## All3Media Finance Limited

### Profit and loss account for the year ended 31 December 2018

		Year ended 31 December 2018	Year ended 31 December 2017
	Note	£	£
Administrative expenses		(14,415,257)	(15,251,297)
Other operating income		93,048	103,003
<b>Operating loss</b>	3	(14,322,209)	(15,148,294)
Income from shares in group undertakings		7,193,000	3,078,178
Interest receivable and similar income	4	9,097,021	4,743,010
Interest payable and similar expenses	5	(15,582,949)	(20,678,763)
<b>Loss before taxation</b>		(13,615,137)	(28,005,869)
Tax on loss	8	127,500	-
<b>Loss for the financial year</b>		<u>(13,487,637)</u>	<u>(28,005,869)</u>

The above results were derived from continuing operations.

The notes on pages 12 to 27 form an integral part of these financial statements.

## All3Media Finance Limited

### Statement of comprehensive income for the year ended 31 December 2018

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Loss for the financial year	(13,487,637)	(28,005,869)
Total comprehensive expense for the year	<u>(13,487,637)</u>	<u>(28,005,869)</u>

The notes on pages 12 to 27 form an integral part of these financial statements.

**All3Media Finance Limited**  
**(Registration number: 05860159)**

**Balance sheet as at 31 December 2018**

		<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Investments in subsidiaries	9	80,593,964	78,973,964
Investments in associates	10	900,055	500,000
		<u>81,494,019</u>	<u>79,473,964</u>
<b>Current assets</b>			
Debtors	11	175,313,641	142,155,527
Cash at bank and in hand		(9,694,777)	9,493,505
		<u>165,618,864</u>	<u>151,649,032</u>
<b>Creditors: amounts falling due within one year</b>	12	(168,883,025)	(147,762,928)
<b>Net current (liabilities)/assets</b>		<u>(3,264,161)</u>	<u>3,886,104</u>
<b>Total assets less current liabilities</b>		<u>78,229,858</u>	<u>83,360,068</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(34,935,352)	(26,577,925)
<b>Net assets</b>		<u>43,294,506</u>	<u>56,782,143</u>
<b>Capital and reserves</b>			
Called-up share capital	14	25,699,203	25,699,203
Profit and loss account		17,595,303	31,082,940
<b>Total Shareholders' funds</b>		<u>43,294,506</u>	<u>56,782,143</u>

The financial statements of All3Media Finance Limited (registered number: 05860159) were approved by the board of directors and authorised for issue on 14 June 2019

They were signed on its behalf by:



**A McMullen**  
**Director**

The notes on pages 12 to 27 form an integral part of these financial statements.

## All3Media Finance Limited

### Statement of changes in equity for the year ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total Shareholders' Funds £
At 1 January 2017	25,699,203	59,088,809	84,788,012
Total comprehensive expense for the year	-	(28,005,869)	(28,005,869)
Dividends	-	-	-
At 31 December 2017	25,699,203	31,082,940	56,782,143
Total comprehensive expense for the year	-	(13,487,637)	(13,487,637)
Dividends	-	-	-
At 31 December 2018	25,699,203	17,595,303	43,294,506

The notes on pages 12 to 27 form an integral part of these financial statements.

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018

#### 1. General information

All3Media Finance Limited is a company incorporated in United Kingdom under the Companies Act.

The address of the registered office is:

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

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

#### 2. Accounting policies

##### 2.1 Summary of significant accounting policies

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

##### Basis of preparation

The financial statements of All3Media Finance Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The financial statements contain information about All3Media Finance Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of one of its parent undertakings, All3Media Holdings Limited.

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

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosure'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirement in respect of:
  - (i) Paragraph 79(a)(iv) of IAS 1;
  - (ii) Paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 2. Accounting policies (continued)

##### 2.1 Summary of significant accounting policies (continued)

###### Basis of preparation (continued)

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

Where required equivalent disclosures are given in the group financial statements of DLG Acquisitions Limited. The group financial statements of DLG Acquisitions Limited are available to the public and can be obtained as set out in note 18.

###### Going concern

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

###### Foreign currency translation

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

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

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

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

**Notes to the financial statements for the year ended 31 December 2018 (continued)**

**2. Accounting policies (continued)**

**2.1 Summary of significant accounting policies (continued)**

**Tax**

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

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

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

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

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

**Dividend distribution**

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

**Fixed assets investments**

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

**Cash and cash equivalents**

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

**Financial instruments**

The company does not enter into speculative derivative contracts. However derivative financial instruments are used with a view to managing the company's exposure to fluctuations in foreign currency exchange rates and interest rates.

Transactions are recorded at the forward contract rate if a related foreign currency contract has been entered into and the exchange gain or loss on the transactions is charged directly to the profit and loss account.

Derivative financial instruments are used to hedge the company's exposure to fluctuations in foreign exchange fluctuation but are not recognised in the financial statements.



## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 2. Accounting policies (continued)

##### 2.1 Summary of significant accounting policies (continued)

###### Financial Instruments (continued)

The company's derivative financial instruments comprise forward exchange contracts and interest rate caps and swaps. Forward exchange contracts provide certainty of future expenses and income in a foreign currency by fixing the exchange rate rather than waiting for the prevailing exchange rate at the time of the transaction or payment. Interest rate caps and swaps provide certainty of future expenses and income by fixing the interest rate for a specific time period.

Depending on how the exchange or interest rates move from the time the company enters into the transaction, these derivatives can either be profitable ('in the money') or loss-making in their own right. However, the rationale in entering into these derivatives is not to profit from currency market fluctuations, but to provide stability to the company's cashflows. The net cash receipts/payments to counterparties relating to these derivatives are taken to the company's profit and loss account for the period.

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than 12 months are included within current liabilities. For all other borrowings, accrued finance charges and issue costs are included within creditors due in more than one year.

Debtors are initially stated at fair value. The carrying value of debtors is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

##### 2.2 Critical accounting estimates and judgements

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

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

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 11 for the net carrying amount of the receivables and associated impairment provision.

#### 3. Operating loss

Operating loss is stated after charging:

##### Fees payable to audit firms

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
<u>Audit Fees</u>		
Fees payable to the company's auditors for the audit of the company's financial statements	5,000	6,500

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 4. Interest receivable and similar income

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Interest receivable from group undertakings	4,502,082	4,692,132
Exchange gains	4,421,679	-
Other Interest receivable	173,260	50,878
	<u>9,097,021</u>	<u>4,743,010</u>

#### 5. Interest payable and similar expenses

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Bank loans and overdrafts	344,736	42,916
Exchange losses	-	6,808,815
Interest payable to parent undertaking	10,031,126	8,922,417
Other Interest payable	5,207,087	4,904,615
	<u>15,582,949</u>	<u>20,678,763</u>

#### 6. Staff costs

The company had nil employees (2017: nil) and incurred £nil staff costs during the year (2017: £nil).

#### 7. Directors' remuneration

Directors' remuneration in 2018 was £nil (2017: £nil) for services to this company.

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

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 8. Tax on loss

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

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
<b>Current taxation</b>		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
<b>Total current tax credit</b>	<u>-</u>	<u>-</u>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	(127,500)	-
Impact of changes in tax rates and laws	-	-
Adjustments in respect of prior year	-	-
<b>Total deferred taxation</b>	<u>(127,500)</u>	<u>-</u>
<b>Total tax credit on profit</b>	<u>(127,500)</u>	<u>-</u>

##### (b) Factors affecting the tax credit for the current year

The total tax expense for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Loss before taxation	(13,615,137)	(28,005,869)
Corporation tax at standard rate at 19% (2017: 19.25%)	(2,586,876)	(5,391,130)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,705,518	3,870,735
Recognition of deferred tax assets not recognised in prior year	(127,500)	-
Adjustments in respect of prior years	-	-
Non-taxable income	(1,366,670)	(592,549)
Group relief surrendered for no consideration	248,028	2,112,944
<b>Total tax (credit)/charge for the year</b>	<u>(127,500)</u>	<u>-</u>

The company has surrendered the benefit of current year tax losses to another group company for no payment (2017: £nil).

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 8. Tax on loss (continued)

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

The previously enacted rate of 18% (effective from 1 April 2020) was reduced further to 17% in the Finance Act 2016 which received Royal Assent on 15 September 2016.

To the extent these rate changes will affect the amount of future cash tax payments to be made by the company, this will reduce the amount of its deferred tax liabilities and assets.

##### (d) Deferred tax

	31 December 2018 £	31 December 2017 £
Included in debtors (note 11)	127,500	-
<b>Analysed as below:</b>		
Depreciation in advance of capital allowances	-	-
Other short term timing differences	127,500	-
Deferred taxation asset/(liability)	127,500	-

Deferred tax movement in the year:

	At 1 January 2018 £	Recognised in income £	At 31 December 2018 £
Accelerated tax depreciation	-	-	-
Short term temporary differences	-	127,500	127,500
	-	127,500	127,500

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 9. Investments in subsidiaries

	31 December 2018 Shares in subsidiary companies £	31 December 2017 Shares in subsidiary companies £
Cost at beginning of year	78,973,964	70,973,963
Additions in the year	1,620,000	8,000,001
Cost at end of year	80,593,964	78,973,964

Investments in the company comprises of All3Media Group Limited of £40,720,356 (2017 - £40,720,356), One Potato Two Potato Limited of £3,917,838 (2017 - £3,917,838), Apollo 20 Limited of £1 (2017 - £1), Neal Street Productions Limited of £26,335,768 (2017 - £26,335,768), Two Brothers Pictures Limited of £8,000,000 (2017 - £8,000,000), Witchery Pictures Limited of £1 (2017 - £1), and Aurora Media Worldwide UK Limited of £1,620,000 which was acquired in the year.

The details of the principal subsidiary companies in which the company holds 50% or more of the nominal value of any class of share capital are as follows. Shares held by an intermediate holding company are indicated with an asterisk (\*). All investments are unlisted

Name of company	Country of incorporation/residency	Voting rights %	Nature of business
Aurora Media Worldwide UK Limited	England & Wales (1)	90%	Television production
Witchery Pictures Limited (#)	England & Wales (1)	100%	Television production and distribution
All3Media Group Limited	England & Wales (1)	100%	Sub-holding company
One Potato Two Potato Limited	England & Wales (1)	100%	Television production and distribution
Two Brothers Pictures Limited	England & Wales (1)	51.001%	Television production and distribution
Adamaarku Productions Limited	England & Wales (1)	*51.001%	Television production
Cheat Productions Limited	England & Wales (1)	*51.001%	Television production
White Dragon Productions Limited	England & Wales (1)	*51.001%	Television production
Nine Streets Productions Limited	England & Wales (1)	*51.001%	Television production
Fleabag Productions Limited	England & Wales (1)	*51.001%	Television production
Liar Two Productions Limited	England & Wales (1)	*51.001%	Television production

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 9. Investments in subsidiaries (continued)

Name of company	Country of incorporation/residency	Voting rights %	Nature of business
Neal Street Productions Limited	England & Wales (1)	71.694%	Television production and distribution
Informer Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
CTM Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
CTM 3 Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
CTM 4 Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
CTM 5 Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
CTM 6 Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
CTM 8 Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
CTM 9 Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
Shakespeare Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
Penny Dreadful Television Limited	England & Wales (1)	*71.694%	Television production and distribution
Stateside Productions Limited	England & Wales (1)	*71.694%	Television production and distribution
Neal Street Productions (Broadway) Limited	England & Wales (1)	*71.694%	Television production and distribution
Neal Street Productions USA, Inc.	USA (2)	*71.694%	Television production and distribution
All3Media Limited	England & Wales (1)	*100%	Sub-holding company
All3Media Deutschland GmbH	Germany (3)	*100%	Television production
The Fiction Syndicate GmbH	Germany (3)	*50.01%	Television production
Bon Voyage Films GmbH	Germany (5)	*50%	Television production

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 9. Investments in subsidiaries (continued)

Name of company	Country of incorporation/residency	Voting rights %	Nature of business
MME Moviemment AG	Germany (4)	*93.51%	Television production
Tower Productions GmbH	Germany (5)	*50%	Television production
South & Browse GmbH	Germany (3)	*100%	Television production and distribution
MME Me, Myself & Eye Entertainment GmbH	Germany (4)	*93.51%	Television production
filmpool entertainment GmbH	Germany (5)	*93.51%	Television production
filmpool fiction GmbH	Germany (5)	*93.51%	Television production
filmpool media entertainment GmbH	Austria (6)	*93.51%	Television production
All3Media USA, Inc.	USA (2)	*100%	Sub-holding company
All3Media USA Limited	England & Wales (1)	*100%	Sub-holding company
Noah Holdings, LLC	USA (2)	*100%	Sub-holding company
Noah Acquisition Inc.	USA (2)	*100%	Sub-holding company
Avaline Music Emporium, Inc.	USA (2)	*100%	Television production and distribution
Fugitive and Recovery Team Services	USA (2)	*100%	Television production and distribution
Zoo Productions	USA (2)	*100%	Sub-holding company
Authentic Pictures Group, Inc.	USA (2)	*100%	Television production and distribution
America's Finest Television Corp.	USA (2)	*100%	Television production and distribution
All3Media America, LLC	USA (2)	*100%	Television production and distribution
The Write Types, Inc.	USA (2)	*100%	Television production and distribution
Waltz International Pictures, Inc.	USA (2)	*100%	Television production and distribution

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 9. Investments in subsidiaries (continued)

Name of company	Country of incorporation/residency	Voting rights %	Nature of business
Beak Street Studio Rentals Inc.	USA (2)	*100%	Television production and distribution
Music to Air, Inc.	USA (2)	*100%	Television production and distribution
Bright Road Productions, Inc.	USA (2)	*100%	Television production and distribution
Carnaby Services, Inc.	USA (2)	*100%	Television production and distribution
Beach Life Studios, LLC	USA (2)	*100%	Television production and distribution
Jefferson Pictures, LLC	USA (2)	*100%	Television production and distribution
Dusty Rose Pictures, LLC	USA (2)	*100%	Television production and distribution
MSQ Productions, LLC	USA (2)	*100%	Television production and distribution
Mom Pictures, LLC	USA (2)	*100%	Television production and distribution
Palm Tree Pictures, LLC	USA (2)	*100%	Television production and distribution
Clock Productins, LLC (formerly Hole in the Fence Productions, LLC)	USA (2)	*100%	Television production and distribution
Optomen Productions, LLC	USA (2)	*100%	Television production and distribution
North One Television USA, Inc.	USA (2)	*100%	Television production and distribution
Maverick Television Inc.	USA (2)	*100%	Television production and distribution
Lion Television, LLC	USA (2)	*100%	Television production and distribution
One Potato, Two Potato LLC	USA (2)	*100%	Television production and distribution



## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 9. Investments in subsidiaries (continued)

Name of company	Country of incorporation/residency	Voting rights %	Nature of business
Objective Productions US, Inc.	USA (2)	*100%	Television production and distribution
Rumpole, Inc.	USA (2)	*100%	Television production and distribution
All3Media International America, LLC	USA (2)	*100%	Television production and distribution

#### Address Key

(1)	Berkshire House, 168 - 173 High Holborn, London, WC1V 7AA, United Kingdom
(2)	6060 Center Drive, 4th Floor, Los Angeles CA 90045, United States
(3)	Atelierstrasse 12, 81671, Munich, Germany
(4)	Gotzkowskystr.20-21, 10555, Berlin, Germany
(5)	Venloer Strasse 241-245, 50823, Cologne, Germany
(6)	Untere Donaustr. 13-15, A - 1020, Wien, Austria
(7)	39 Long Acre, London, WC2E 9LG, United Kingdom

(#) - Formerly Witchery Pictures (J & S) Limited – name changed 6 March 2018

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

#### 10. Investments in associates

	31 December 2018 Shares in associate companies £	31 December 2017 Shares in associate companies £
Cost at beginning of year	500,000	300,000
Additions in the year	400,055	200,000
Cost at end of year	<u>900,055</u>	<u>500,000</u>

Investments in associates in the company comprises of non-controlling shares in Two Halves Pictures Limited of £300,000 (2017 - £300,000), Story Films Limited of £200,000 (2017 - £200,000), Unstoppable Film and Television Limited of £42 and Bullion Productions Limited of £400,013 which were both acquired in the year. It also holds non-controlling interests in Seven Stories Limited and Caravan Media Limited at nominal value.

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 10. Investments in associates (continued)

Name of company	Country of incorporation/ residency	Voting rights %	Nature of business
Unstoppable Film & Television Limited	England & Wales (1)	21%	Television production
Bullion Productions Limited	England & Wales (1)	24.99%	Television production
Caravan Media Limited	England & Wales (7)	*20%	Television production
Silvervan Productions Limited	England & Wales (7)	*10%	Television production
Seven Stories Limited	England & Wales (1)	24.99%	Television production
S7ories2 Limited	England & Wales (1)	*24.99%	Television production
Seven Selections Limited	England & Wales (1)	*24.99%	Television production
Seven Stories USA Inc.	USA (2)	*24.99%	Television production
Story Films Limited	England & Wales (1)	*20%	Television production
Two Halves Pictures Limited	England & Wales (1)	*24.98%	Television production

#### 11. Debtors

	31 December 2018 £	31 December 2017 £
Amounts owed by group undertakings	171,343,038	139,957,780
Other debtors	3,835,712	2,197,747
Taxation and social security	7,391	-
Deferred tax	127,500	-
	<u>175,313,641</u>	<u>142,155,527</u>

Included within amounts owed by group undertakings are unsecured non-trading loans of £171,339,038 (2017: £139,957,780). These amounts are repayable on demand. The interest payable on these loans are between 0% and 8%.

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

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

	31 December 2018 £	31 December 2017 £
Accruals and deferred income	124,100	6,500
Amounts owed to group undertakings for group relief	177,875	177,875
Amounts owed to group undertakings	147,354,226	138,044,488
Taxation	-	10,534
Other creditors	21,226,824	9,523,531
	<u>168,883,025</u>	<u>147,762,928</u>
Less: deferred financial fees	-	-
	<u>168,883,025</u>	<u>147,762,928</u>

Amounts owed to group undertakings include an unsecured non-trading loan of £142,458,177 (2017: £133,148,438). This is repayable on demand. The interest payable on this loan is 6.992% (2017: 6.992%).

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

	31 December 2018 £	31 December 2017 £
Other creditors	17,364,599	18,156,849
Amounts owed to group undertakings	17,570,753	8,421,076
	<u>34,935,352</u>	<u>26,577,925</u>

Other creditors relate to put and call option liabilities. Amounts owed to group undertakings include loans of £8,810,130 (2017: £8,421,076) and £8,760,623 that has interest payable on the loans of 4.62% and 5.78% respectively, both unsecured and payable by 30 June 2023.

#### 14. Called up share capital

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

	31 December 2018		31 December 2017	
	No.	£	No.	£
Ordinary shares of £1 each	25,699,203	25,699,203	25,699,203	25,699,203

#### 15. Contingent liabilities

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition, the company has issued an unlimited guarantee to the bank to support these bank facilities. Details of these facilities are disclosed in the DLG Acquisitions Limited financial statements which are publicly available.

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 16. Related party transactions

During the year, the company entered into the following transactions with related parties:

		Year ended 31 December 2018 £	Year ended 31 December 2017 £
<b>Interest receivable</b>			
Two Halves Pictures Limited	(1)	15,953	1,008
Unstoppable Film and Television Limited	(1)	2,422	-
Seven Stories Limited	(1)	80,690	10,891
Caravan Media Limited	(1)	12,340	38,979
Story Films Limited	(1)	2,338	-
		<u>          </u>	<u>          </u>
<b>Management fees included within other operating income</b>			
Neal Street Productions Limited	(2)	93,048	103,003
		<u>          </u>	<u>          </u>
<b>Dividends receivable included within income from shares in group undertakings</b>			
Neal Street Productions Limited	(2)	4,200,000	900,000
Two Brothers Pictures Limited	(2)	2,193,000	-
		<u>          </u>	<u>          </u>

The following amounts were owed by related parties at the balance sheet date:

		31 December 2018 £	31 December 2017 £
Adamaarku Productions Limited	(2)	-	2,505,181
Neal Street Productions Limited	(2)	3,658	63,604
Two Halves Pictures Limited	(1)	602,166	201,008
Story Films Limited	(1)	152,338	-
Unstoppable Film and Television Limited	(1)	312,422	-
Seven Stories Limited	(1)	1,484,185	1,283,995
Caravan Media Limited	(1)	225,084	212,745
		<u>          </u>	<u>          </u>

#### Key

- (1) All3Media Finance Limited holds investments in Two Halves Pictures Limited, Unstoppable Film and Television Limited, Seven Stories Limited, Caravan Media Limited and Story Films Limited as disclosed in note 10.
- (2) Neal Street Productions Limited, Two Brothers Pictures Limited and Adamaarku Productions Limited are subsidiaries of All3Media Finance Limited as disclosed in note 9.

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

## All3Media Finance Limited

### Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 17. Dividends

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
<b>Ordinary</b>		
Dividends paid: £nil (2017: £nil) per £1 share	-	-

#### 18. Parent and ultimate parent undertaking

The company's immediate undertaking is All3Media Intermediate Limited. The ultimate parent undertaking is DLG Acquisitions Limited. DLG Acquisitions Limited is the parent undertaking of the smallest and the largest group to consolidate these financial statements at 31 December 2018. Copies of its group financial statements, which include the company, are available from Berkshire House, 168-173 High Holborn, London, WC1V 7AA. The ultimate controlling parties at the balance sheet date are Liberty Global plc and Discovery Inc. (formerly Discovery Communications Inc), which own LGCI HoldCo I B.V. and DNI Holdings (Jersey) Limited respectively, who are equal joint venture owners of DLG Acquisitions Limited.