DCD MEDIA PLC

FINANCIAL STATEMENTS

FOR THE FIFTEEN-MONTH PERIOD ENDED 31 MARCH 2020

Company number 03393610

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DCD Media Plc

("DCD Media" or the "Company")

Audited results for the period ended 31 March 2020

DCD Media and its subsidiaries, the independent TV distribution and production group (the "Group"), today report results for the fifteen-month period ended 31 March 2020.

Financial Summary

Continuing operations:

• Revenue	£10.93m (2018: £7.05m)
• Gross profit	£2.05m (2018: £1.64m)
• Operating loss	£0.15m (2018: £0.07m)

Group results:

• Operating loss	£0.15m (2018: £0.04m)
• Adjusted EBITDA	£0.40m* (2018: loss of £0.03m)
• Adjusted profit before tax	£0.18m (2018: loss of £0.04m)
• Net cash	£2.74m (2018: £2.28m)

* The basis for this figure has changed in the period following implementation of IFRS 16 relating to lease liabilities. If we were to show this on a like-for-like basis in 2020, we would show an adjusted EBITDA of £0.10m accordingly.

Please refer to the table within the Performance section within the Group Strategic Report for an explanation of the profit adjustments.

Business highlights

- The fifth series of **Penn & Teller: Fool Us in Vegas** was transmitted in H1 2019. The highly successful series is a co-production between 1/17 Productions and September Films for The CW Network in the USA.

- DCD Rights announced the sale of the six-part new drama **The Secrets She Keeps** starring Laura Carmichael and Jessica De Gouw to BBC One UK, Mediawan France and Digital Store for Sundance Now in America.

- DCD Rights announced the sale of two leading Australian drama series, **The Hunting** and **My Life is Murder,** to UK broadcasters Channel 5 and UKTV respectively.

- September Films format and WE produced **Bridezillas** season 12 sold to ITV network as well as A&E for Africa after successful ratings from the WE TV US premiere. It has subsequently gone into production for season 13 which comprises 11 hours, making the DCD Rights franchise a total of 231 hours of programming in distribution across the world excluding the USA.

- DCD Rights distributed dramas garnered several prestigious awards from the Australian Writers Guild for the Andrew Knight penned drama **Jack Irish**, as well as The Australian Academy of Cinema and TV Award for *Best Screenplay in Television* for **The Hunting** writing team. **The Hunting** also won *Best Supporting Actor* for Australian star Richard Roxburgh.

- DCD Rights renewed its output deal with The Open University to distribute its prestigious factual catalogue of 160 hours of diverse and engaging factual programming.

- DCD Rights signed pre-sales for three market-tailored factual series with Discovery UK, which combined with DCD investment against international rights, triggered production for a total of 30 hours for new series **Disasters Engineered**, **My Life is Murder** and **The Lady Killers**.

- DCD Rights announced a multi-titles sale of programmes produced by The Open University to Curiosity Stream for its worldwide subscription on-demand service.

- DCD Rights acquired the rights to two new series of bestselling Australian factual series **Aussie Gold** seasons 5 and 6 to deliver a further 40 hours of programming over 2020 and 2021.

- **DCD Rights** catalogue grew from 3,000 to over 3,500 hours of programming continuing its policy to acquire long running factual series alongside quality drama, high-end documentaries and music programming.

Overview

Trading conditions for the latter part of the financial period, as for many businesses in the sector, could best be characterised as challenging.

Buying habits markedly shifted impacted with the dilution of the overall market and of the advertising markets due to the growth of the VOD channels. Latterly as the COVID spectre added an additional threat thus an opportunistic shorter-term market was created in which some content providers fared better than others. DCD Rights has certainly performed well with its drama genre offerings and this continues to be the case in the current year. Drama though accounts for less than 25% of the library and the general performance of DCD Rights was weaker than anticipated in the period, particularly so in the final six months of the extended financial year.

Reported Group revenue on continuing operations for the period to March 2020 was £10.93m compared to £7.05m for the year to December 2018 (during the year the team extended the year end to March resulting in our current reporting period being for 15 months rather than 12). However, gross profit and gross profit margin for the period was £2.05m and 16.5% compared to £1.64m and 23.2% for 2018, thus a poorer gross margin to turnover ratio compared to the prior year. Again, a weaker performance in the first calendar quarter of 2020 has not helped the margin ratio. The Group reports an operating loss of £0.15m while in 2018 the business delivered a marginal operating loss of £0.04m.

Several factors have contributed to turning what would have been a strong operating profit into an operating loss in the year, and primarily this is a result of a number of exceptional items which were deemed irrecoverable and discontinuing. The exceptional items that relate to 2019 and beyond have been rectified and are not likely to recur. As a consequence of adjustments made we report an adjusted EBITDA profit of £0.40m (2018: loss of £0.03m) and an adjusted profit before tax of £0.18m (2018: loss of £0.04m). The adjusted EBITDA profit is after making the necessary adjustments to the way we account for lease liabilities following the implementation of IFRS 16 in the period. This is explained in more detail within the notes to the financial statements. Without these exceptional items, the business would have reported a healthy operating profit in the period.

The business continued its investment in programming acquisitions in the DCD Rights catalogue during the period. Financial commitments of over £3m were made in the period, in respect of programming with gross values of £12m over their lifetime. The catalogue now totals over 3,500 hours of high-quality drama, factual and entertainment programming. This compares with previous gross values of £13.4m in 2017 and £13.4m in 2018. Investment spend in those years was £4.3m and £3.2m respectively.

The DCD Rights team have, despite the obvious disruption from COVID-19 in the last quarter, made significant progress in developing depth in the catalogue, continuing a policy to acquire long-running factual series alongside quality drama and high-end documentaries.

Noteworthy achievements in the year for the Drama catalogue include the announced sale of two leading Australian drama series **The Hunting** and **My Life is Murder** to UK broadcasters Channel 5 and UKTV respectively. The edgy four-part drama **The Hunting** was also acquired by TV4 in Sweden, Ale kino+ in Poland, and TVNOW in Germany.

And at the end of the period, DCD announced sales of its recently launched drama series to a slew of international broadcasters. High demand for psychological thriller **The Secrets She Keeps** starring Laura Carmichael (Downton Abbey) and Jessica de Gouw (Arrow) saw the six-part drama travel to Mediawan in France and French speaking Europe, TVNZ in New Zealand, TV4 in Sweden, Hot Telecom Israel, YLE Finland and IVI Russia.

Blackfella Films, producers of DCD-distributed drama **Deep Water**, won the 2019 Sydney *UNESCO City of Film* award recognising them as outstanding New South Wales based screen specialists. Crime series **Deep Water**, featuring Noah Taylor and Yael Stone has been hugely popular selling worldwide to major broadcasters. At the Asian Academy Creative Awards, **Find My Killer** won in the category of '*Best Short Form Content in Australia and New Zealand*'.

In October, DCD returned to MIPCOM with a fresh catalogue of latest releases that featured programming across drama, entertainment, factual and music. **The Secrets She Keeps** featured strongly at the international show. **Dry Water** was a popular drama while **Find My Killer**, a story inspired by real life events and follows the investigation into the disappearance and murder of teenager Mia Bryant, attracted strong interest.

As well as previously announced factual series, DCD Rights also brought to market **Ultimate Movers**, another series of **Vintage Roads**, and the third season of **ToyMakerz**. DCD Rights also sold **Saving The Dinosaur Fish** and the second series of **World's Greatest Ships** with Rob Bell. New to music releases was **Bush: Live in Tampa**, while we were also thrilled to welcome a range of classic British TV dramas from STV, including: **McCallum**, **Ain't Misbehavin', Fast Freddie, The Widow & Me, Forgive & Forget, High Times, Take Me, The Last Musketeer** and **The Stalker's Apprentice.**

DCD Rights started the New Year by launching a new catalogue comprising programming across drama, entertainment, factual and music including a third series of docudrama **Real Detective: North Of The Border**, true crime series **The Lady Killers, The Bone Detectives** featuring Tori Herridge**, A World Without NASA**, cookery travelogue **James Martin's Islands To Highlands**, **The Real Prince Philip: A Royal Officer**, a new series of **Marriage Boot Camp**: **Reality Stars** and **Off Camera** with Sam Jones.

Ahead of NATPE Miami, DCD also announced presales of **Disasters Engineered** to Discovery in the UK and Ireland, and to Danmarks Radio in Denmark. Another new title, **Aussie Bull Catchers**, was licenced by Viasat World for Scandinavia, Eastern Europe and CIS.

DCD also welcomed in Spring with a catalogue of brand-new programming featuring well-known talent: **Heavenly Gardens** with Alexander Armstrong and Arit Anderson; **Top Ten Treasures of Pompeii** and **Top Ten Treasures: Egyptian Mummies** with Bettany Hughes; **How To Make**… featuring Zoe Laughlin; **The Art Detectives** with Dr. Bendor Grosvenor and Emma Dabiri and multiple series of **Penn & Teller: Fool Us** hosted by Alyson Hannigan. The catalogue also included returning hits such as the fifth series of **Aussie Gold Hunters** and more instalments of **Marriage Boot Camp**: **Reality Stars** and **World's Wildest Weather**: **Caught On Camera.** A third series of **Emergency Helicopter Medics**, as well as **Emergency Rescue: Air, Land & Sea** added to our extensive library of blue light programming. Finally, we explored the phenomena of strange transmissions in **Phantom Signals**.

The Directors are, as in previous years, delighted that core formats vesting in the production entities have been recommissioned under co-production and format arrangements which provides both continued cash flow for the Group and a growing library of 'owned' content to complement the third-party rights held under licence.

The fifth series of **Penn & Teller: Fool Us** successfully aired on the CW Network in the US, as well as an additional one-hour **April Fool Us** special, triggering a further 13-part commission for 2020 that was first aired in June of this year. It is again produced by 1/17 Productions and September Films. DCD Rights concluded a new format deal for season 13 of long running factual series **Bridezillas** commissioned by WEtv USA and to be distributed internationally by DCD Rights.

Outlook and COVID-19

The post COVID-19 economy, while at first blush could have been perceived as a boon for content providers, has actually been a very difficult environment in which to trade. The global pandemic has caused widespread disruption to every marketplace, including the film and TV markets. We know from recent experience, that the TV marketplace is feeling the impact of the virus despite many commentators suggesting the events of lockdown and reduced mobility would create the perfect storm for content aggregators. In reality, all activities related to broadcasting, financing, production, sales, marketing and distribution, and particularly advertising revenues have come under intense pressure. The DCD Rights team are, like many of their peers in the industry, resilient and experienced in managing their catalogue acquisitions to ensure these meet the appetite and expectations of our long-established network of content buyers.

There is though, a reality check around the general economic impact which is having a knock-on effect on the production industry and its workforce. For many months of 2020 production staff being mostly freelancers have been laid-off and productions operations have shut down or suspended. We believe the COVID-19 pandemic crisis will significantly change production business in 2020 and beyond.

While DCD maintains effective relationships with independent producers and has commitments on live productions, if the effects of the pandemic worsen in the short-term this will have a serious impact on our business moving into the next financial year. In summary, the market conditions in 2020 continue to be challenging and have been exacerbated by a global crisis which has touched almost every aspect of working and social living.

David Craven, Executive Chairman and Chief Executive Officer, commented: "I first of all want to pay tribute to and thank our talented and committed team at DCD Rights who have battled through the early months of the COVID-19 lockdown. While working remotely they have been efficient and effective in seeking to deliver a strong sales performance for the business.

"While we are disappointed with the overall performance of the business across the period, a number of factors are worthy of note. We have written down exceptional items, and once adding these back, we present an adjusted profit of £180k. We do cite the trading months in 2020 as being particularly challenging. Some key drama titles were expected to deliver sales in the period to March 2020, but those sales have been pushed into the new financial year and we are confident these will deliver the forecasted results for 2020/21, albeit some months later than expected.

"The market is in flux presently and we expect more uncertainty around future productions, what DCD Rights can realistically acquire in the coming months and in particular its continued focus on dramas will be reliant on the production world being able to kick-start operations.

"We can say that various sales negotiations for 2020 look promising, but obtaining commitment remains an ongoing challenge for the sales team. We are, of course, delighted we have been able to licence new high-quality drama and factual content which have added depth to an already impressive catalogue.

"So, in spite of extraordinarily challenging market conditions brought about by the global pandemic, the Directors believe the resilience of the experienced team in DCD rights, together with a continued investment into new programming gives us a sense of optimism as we continue to forge ahead in the global TV markets.''

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Executive Chairman's review

While revenue grew significantly, this is masked by an extended period and a like-for-like comparison suggests the business would have delivered £8.8m in gross sales revenue compared with £7.05m in 2018, so an improvement on this basis. The net adjusted basic profit for the period was £0.18m which is up from a loss for the year in 2018 of £0.04m. A keen focus on driving targeted sales is required by the DCD Rights team to again deliver a positive EBITDA performance in FY21 given the macro-economic headwinds we face.

Despite the obvious challenges, the core rights business remains viable as the team continues to augment the catalogue and increase contact and engagement with the acquiring networks. The continued efforts to attract additional third-party funding remains a focus for the team and this has only been made more challenging by COVID-19.

The year was punctuated with high-profile activity. As well as previously announced factual series, DCD also brought to market **Ultimate Movers**, another series of **Vintage Roads** and the third season of **ToyMakerz**. Away from the road and into the water, DCD also sold **Saving The Dinosaur Fish** and the second series of **World's Greatest Ships** with Rob Bell. New to music releases was **Bush: Live in Tampa**, while we were also thrilled to welcome a range of classic British TV dramas from STV, including: **McCallum, Ain't Misbehavin', Fast Freddie, The Widow & Me, Forgive & Forget, High Times, Take Me, The Last Musketeer** and **The Stalker's Apprentice**.

DCD-distributed Australian dramas **The Hunting** and **On The Ropes** collectively received five AACTA nominations, ahead of the ceremony in December. Both were nominated for '*Best Telefeature or Mini Series*', while episode 3 of **The Hunting** was nominated for '*Best Screenplay in Television*' and '*Best Direction in a Television Drama or Comedy*'. Meanwhile, Richard Roxburgh received a nomination for '*Best Guest or Supporting Actor*' for his performance in **The Hunting**. **The Secrets She Keeps** was sold to multiple broadcasters for transmission later in 2020.

As we continue to forge ahead in these difficult circumstances, the Board would like to thank the management team and staff at DCD Media for their hard work and dedication and for their support in the financial period and beyond.

D Craven
Executive Chairman and Chief Executive Officer
03 September 2020

Group strategic report

Strategic outlook

The ongoing global COVID-19 crisis has led to widespread uncertainty and sapped both acquisition and sales confidence in our specific market sector. The uncertainly is simply down to how long will the current pandemic persist and what will the resulting impact be on the economy at large after we recover, both of which are significant unknowns. Furthermore, we have the added uncertainty in the economy on how post-Brexit trade agreements will look once the deadline of 31 December 2020 is passed, although this seems likely to be extended beyond this date it remains an unknown currently.

As an organisation, DCD Rights has adapted well, the team have worked highly efficiently on conference calls using digital resources and closing deals without the ability to hold in-person meetings. But it is perhaps the wider economic fallout that concerns us; the knock-on effect on long-term media consumption habits, the confidence for blue-chip networks to acquire and the underlying support from capital markets in acquiring content.

Certainly, the Group is reassessing how it operates on an ongoing basis in the hope that the businesses can forge stronger and more direct relationships with producers and buyers as the confidence returns in the market. We are fortunate to have highly skilled and committed people working with us and consequently we believe we will grow from strength to strength.

Review of divisions for the fifteen-month period to 31 March 2020

Rights and Licensing

DCD Rights

Three new dramas delivered strong sales during the second half of the year, as well as critical acclaim. **The Secrets She Keeps** six-part drama starring Laura Carmichael (Downton Abbey) and Jessica de Gouw (The Crown) was launched at MIPCOM in Cannes with Laura Carmichael hosting a dinner event for key buyers. Laura also supported the series with press interviews resulting in strong sales to all key territories, including the BBC TV UK, Mediawan France, and Digital Store for Sundance Now in North America.

My Life is Murder starring Lucy Lawless (Xena the Warrior Princess) was sold to UK TV's Alibi Channel for launch in October following the previously announced sale to Acorn TV in North America. **The Hunting** premiered on SBS in Australia as the most successful commissioned drama on the channel and DCD Rights concluded a sale to Channel 5 in the UK as well as deals to CBC Canada, NPO Netherlands, RTE Eire as well as IVI Russia.

In factual programming, DCD launched a new six-part series fronted by Bettany Hughes, **The Top Ten Treasures of Egypt, Pompeii and Egyptian Mummies**, and concluded sales across North America and Australia as well as a world-wide cable sale to the National Geographic channel. **The Secret Nazi Bases** series became a best seller with sales concluded across Europe including with Proseiben in Germany and Discovery in Spain.

In December 2019, DCD agreed a pivotal deal with 1/17, September Films' co-production partners for US series **Penn and Teller: Fool Us**. Under this arrangement, DCD Rights acquired the distribution rights for the US seasons 3 onwards, excluding USA, Philippines, Finland, Bangladesh, Pakistan and India, comprising 39 hours of top-quality, light entertainment magic competition. DCD Rights already distributes seasons 1 and 2 having acquired the rights to the first series of the US franchise making a total of 73 hours. Seasons 5 and 6 were acquired by ABC Network in Australia.

The factual catalogue increased with the addition of multiple new series including **Ultimate Movers**, **The Day My Job Tried to Kill Me**, **Vintage Roads**, **Art Detectives,** car series **Toymakerz**, and **Aussie Bull Catchers**. All were carefully selected for their viability with key international channels and specialist cable networks.

With the digital markets in mind, DCD struck a deal with STV to distribute classic library titles **Taggart**, **McCallum** and **Rebus**, as well as several mini-series. DCD Rights subsequently announced substantial sales to Britbox North America, as well as deals in Australia, along with multiple agreements across all titles to digital channels around the world.

James Martin's Islands to Highlands series delivered in January 2020 and transmitted to strong ratings, bringing the catalogue of James Martin presented cookery shows to a total of 80 hours. The music catalogue continued to grow with the addition of **Bush: Live in Tampa** in the new 4K format, adding to the over 50 hours in the library produced in 4K.

The general market caution at the end of the period, and the shift in the industry towards digital distribution combined to make the final quarter challenging in both acquisitions and sales. However, with an additional 500 hours in the library we have proceeded steadily and benefit from a focussed team who can compete successfully through speed to market and access to funds.

Group strategic report

Productions

The DCD Media production division comprised the following brands:

September Films UK	London, UK
Rize Television	London, UK

The output of September Films is overseen by DCD Media and complimented by the Group's rights division.

September Films
September Films agreed to co-produce, with US based 1/17 Productions, a further series of the highly successful entertainment show **Penn & Teller: Fool Us**. This is the sixth season produced in the US and the seventh season overall with filming completing before the COVID-19 pandemic took hold. It will consist of 13 episodes and continue to be hosted by Alyson Hannigan and again feature the world-famous magicians Penn & Teller. The current series was aired in June 2020 on The CW network in the US.

September Films will continue to be involved in the production of future series of **Penn & Teller: Fool Us**. The company continues to review its library of formats and titles.

Rize
During the period there was limited activity in Rize and the directors do not foresee commercial activity in the forthcoming year.

Performance

At a turnover level, the Group delivered £10.9m in revenue over the fifteen-month period, all from continuing operations compared with £7.1m for the year in 2018. There is currently uncertainty in the market due to the COVID-19 pandemic but the team remain hopeful of meeting management's expectations due to the strong library and content that they have available. While the period to March 2020 was better than trading results in 2018 from a sales perspective, the team are working hard to improve this further in the current year and deliver sustainable profit for the business.

The Group made an operating loss for the year of £0.15m (2018: £0.04m), which is stated after impairment and amortisation of intangible assets, including goodwill and trade names.

Adjusted EBITDA and adjusted PBT are key metrics most relevant to the Board, because they most fairly reflect the underlying business performance by excluding the significant non-cash impacts of goodwill, trade name and programme rights amortisation and impairments.

The headline adjusted EBITDA in the fifteen months ended 31 March 2020 was a profit of £0.40m (2018: loss of £0.03m), inclusive of £0.19m of foreign exchange gains (2018: £0.01m) and depreciation of £0.21m (2018: £0.03m). The increase in depreciation (and related reduction in administrative expenses) is a result of the implementation of IFRS 16 and the way we are required to account for leases from 1 January 2019, this is detailed more within the notes to the accounts.

Adjusted continuing profit before tax for the Group was £0.18m in 2020 (2018: loss of £0.04m).

The following table represents the reconciliation between the operating loss per the consolidated income statement and adjusted profit/loss before tax and adjusted Earnings Before Interest Tax Depreciation and Amortisation (EBITDA):

	Period ended 31 March 2020 £m	Year ended 31 December 2018 £m
Operating loss per statutory accounts (continuing operations)	(0.15)	(0.07)
Add: Discontinued operations (note 9)	-	0.03
Operating result per statutory accounts	**(0.15)**	**(0.04)**
Add: Impairment of programme rights (note 11)	0.00	0.01
Add: Depreciation (notes 12 and 13)	0.21	0.03
EBITDA	**0.06**	**0.00**
Add: Loss/(profit) on restructuring	0.34	(0.03)
Adjusted EBITDA	**0.40**	**(0.03)**
Less: Net financial (expense)/income (note 7)	(0.01)	0.02
Less: Depreciation (notes 12 and 13)	(0.21)	(0.03)
Adjusted profit/(loss) before tax	**0.18**	**(0.04)**

Intangible assets

The Group's intangible asset balance, see note 11, is wholly attributable to Goodwill in relation to DCD Rights and September Films.

The accounting implications, in terms of the effect of reporting impaired intangible assets under International Financial Standards, are explained below.

Goodwill
The Directors have assessed the carrying value of goodwill attributable to September Films and have booked no impairment in the period to 31 March 2020 (2018: £Nil). This is in light of the back-end catalogue income expected to be received within the business. In assessing the future carrying value of Goodwill in Rize TV the Directors have been advised a write-down of £67k is appropriate in the current period (2018: £Nil) and can be seen in the company's standalone results at note 4.

Trade names
All trade names were fully amortised before the 2018 year and as such no charge was made in the fifteen-month period to 31 March 2020 (2018: £Nil). Trade names are amortised over ten years on a straight-line basis.

Restructuring costs

Restructuring costs of £0.34m (2018: £0.03m) have been disclosed in the consolidated statement of comprehensive income. These are in relation to one-off expenditure incurred in the period and in 2018 they related to small charges incurred within Sequence Post Ltd, the post-production business, that ceased trading in November 2017.

Earnings per share

Basic loss per share in the period was 11p (year ended 31 December 2018: 1p) and was calculated on the loss after taxation of £0.27m (year ended 31 December 2018: £0.04m) divided by the weighted average number of shares in issue during the year being 2,541,419 (2018: 2,541,419).

Balance sheet

The Group's net cash balance has increased to £2.7m at 31 March 2020 from £2.3m at 31 December 2018. A substantial portion of the Group's cash balances represent working capital commitment in relation to its rights business and is not considered free cash. The increase in the year is largely due to temporary movements in receivables and payables in working capital.

At the period end, the Group had an available gross overdraft facility of £0.30m and a net facility of £0.15m.

Shareholders' equity

Retained earnings as at 31 March 2020 was a deficit of £60.7m (2018: £60.6m) and total shareholders' equity at that date was £2.7m (2018: £2.9m).

Current trading

As mentioned in the strategic report the ongoing global COVID-19 crisis has led to widespread uncertainty and sapped both acquisition and sales confidence in our specific market sector. However, the team have a high-quality library of content and while currently there is a lag in reaching signature stage and subsequent delivery, the Group has a number of exciting deals that we are hopeful of converting to closure before the end of the first half of this year. This should enable the business to perform on target with management's expectations.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance, financial position and borrowings are set out above. In addition, note 18 to the consolidated financial statements sets out the Group's objectives, policies and processes for managing its financial instruments and risk.

The Group's day-to-day operations are funded from cash generated from trading. During the period the Group also had access to an overdraft facility with Coutts & Co ("Coutts") for a net borrowing amount of £150k. The overdraft facility was and is repayable on demand. The overdraft facility was due to renew in November 2019. However, it has been extended as terms towards a new revolving credit facility have been negotiated and agreed for a total gross amount of £500k. While at the date of signing this is not fully in place the terms and conditions of the facility are agreed and we expect to sign in early September. This is positive news for the Group giving even more flexible funding options and solidifies the great relationship it has with its principal bankers. As such the Directors are comfortable that the Group is, and will be, adequately funded for a period in excess of 12 months from the date of approval of these financial statements.

In considering the going concern basis of preparation of the Group's financial statements, the Board has prepared profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging trading environment. These projections reflect the management of the day-to-day cash flows of the Group which includes assumptions on the profile of payment of certain existing liabilities of the Group. They show that the day to day operations will continue to be cash generative.

The Directors' forecasts and projections, which make allowance for potential changes in its trading performance, show that with the ongoing support of its principal shareholder and its bank; the Group can continue to generate cash to meet its obligations as they fall due.

The Directors have regular discussions with the Group's main shareholders and its principal bankers and have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Key Performance Indicators (KPIs)

	15 months to 31 March 2020 £m	12 months to 31 December 2018 £m
Revenue from continuing operations	10.93	7.05
Continuing operating loss from operations	(0.15)	(0.07)
Adjusted EBITDA	0.40	(0.03)
Adjusted profit/(loss) before tax	0.18	(0.04)

Principal risks and uncertainties

General commercial risks
The Group's management aims to minimise risk of over-reliance on individual business segments, members of staff, productions or customers by developing a broad, balanced stable of production and distribution activities and intellectual property. Clear risk assessment and strong financial and operational management is essential to control and manage the Group's existing business, retain key staff and balance current development with future growth plans. As the Group operates in overseas markets, it is also subject to exposures on transactions undertaken in foreign currencies.

Production and distribution revenue
Production revenue will remain at current levels or recede given the Group has ceased to pursue productions in development and will focus on its two current franchises. Distribution revenue is forecast to rise as this division is the prime focus of the Group going forward.

Funding and liquidity
Securing funding from external parties to grow the catalogue through acquisition is key to the rights and licencing business. The Board is comfortable given the relationships with current funding partners they have adequate resources to meet their acquisition plans for the foreseeable future.

The Group's cash and cash equivalents net of overdraft at the end of the period was £2.7m (2018: £2.3m) including certain production related cash held to maintain the Group policy. The Group does not currently have any outstanding debt (2018: £0.5m) having successfully repaid the balance to Timeweave Ltd during the period. Details of interest payable, funding and risk mitigation are disclosed in notes 7, 17 and 18 to the consolidated financial statements.

Exchange rate risk
Management review expected cash inflows and outflows in source currency and when required, take out forward options to protect against any short-term fluctuations.

Section 172 statement
From 1 January 2019, legislation was introduced requiring companies to include a statement pursuant to section 172(1) of the Companies Act 2006. The Board recognises the importance of the Group's wider stakeholders when performing their duties under Section 172(1) of the Companies Act and their duties to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- The likely consequences of any decision in the long-term, the Board are given access to management papers which set out the potential outcome of decisions and regular discussion between the Board and management on decision consequences are held, both financial and non-financial;
- The impact of their decisions in the value for shareholders;
- The interests of the company's employees, the Directors actively consider the interest of employees in all major decisions. The Directors hold regular feedback sessions with employees and people is a key area of discussion in every board meeting;
- The need to foster the company's business relationships with suppliers, customers and partner, the Directors have identified the key stakeholders (employees, customers and suppliers of content) of the Group and regularly review their interests, concerns and expectations to ensure adequate communication and engagement is ongoing;
- The impact of the company's operations on the community and the environment.
- The desirability of the company maintaining a reputation for high standards of business conduct, the Group has fully adopted the Quoted Companies Alliance Corporate Governance Code and take their responsibility seriously. The Group will seek guidance from legal experts when required with regards to its corporate governance and business undertakings; and
- The need to act fairly as between members of the company.

D Craven
Executive Chairman and Chief Executive Officer

03 September 2020

Group report of the Directors for the period ended 31 March 2020

The Directors present their report together with the audited financial statements for the fifteen-month period ended 31 March 2020.

Principal activities

The main activities of the Group in the period continued to be distribution and rights exploitation. The main activity of the Company continued to be that of a holding company, providing support services to its subsidiaries.

Business review

A detailed review of the Group's business including key performance indicators and likely future developments is contained in the Executive Chairman's Review and Group Strategic Report on pages 4 to 9, which should be read in conjunction with this report.

Results

The Group's loss before taxation for the period ended 31 March 2020 was £0.16m (2018: £0.02m). The result for the period post-taxation was £0.16m (2018: £0.04m) and has been carried forward in reserves.

The Directors do not propose to recommend the payment of a dividend (2018: £Nil).

Directors and their interests

	At 31 March 2020			At 31 December 2018		
	Ordinary shares of £1 each		**Deferred shares of £1 each**	**Ordinary shares of £1 each**		**Deferred shares of £1 each**
N Davies Williams	781		69,317	781		69,317
D Craven	-		-	-		-
N McMyn	-		-	-		-
A Lindley*	-		-	-		-
J P Rohan**	-		-	-		-

- Resigned 13 August 2020
- Appointed 27 August 2020

Mr Lindley, prior to his resignation was a non-executive director during the period. At the date of signing Mr McMyn and Mr Rohan were Non-Executive Directors. Biographies of the Company's directors can be found on page 15.

Other than as disclosed in note 21 to the consolidated financial statements, none of the Directors had a material interest in any other contract of any significance with the Company and its subsidiaries during or at the end of the financial year.

Substantial shareholdings

The Company has been notified, as at 03 September 2020, of the following material interests in the voting rights of the Company under the provisions of the Disclosure Guidance and Transparency Rules:

Name	No. of £1 ordinary shares	%
Timeweave Ltd	1,818,377	71.55
Lombard Odier Investment Managers	664,328	26.14

Share capital

Details of share capital are disclosed in note 19 to the consolidated financial statements.

Employee involvement

The Group's policy is to encourage employee involvement at all levels as it believes this is essential for the success of the business. There is significant competition for experienced and skilled creative staff and administrators. The Directors are aware of this and have looked to encourage and develop internal resources and to put in place succession plans. In addition, the Group has adopted an open management style to encourage communication and give employees the opportunity to contribute to future strategy discussions and decisions on business issues.

The Group does not discriminate against anyone on any grounds. Criteria for selection and promotion are based on suitability of an applicant for the job. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be at least comparable with that of other employees.

Group report of the Directors for the period ended 31 March 2020

Financial instruments

Details of the use of financial instruments by the Company are contained in note 18 to the consolidated financial statements.

CORPORATE GOVERNANCE

Statement of compliance

The Group has adopted a framework for corporate governance which it believes is suitable for a company of its size with reference to the key points within the UK Corporate Governance Code issued by the Financial Reporting Council ("the Combined Code").

DCD Media Plc's shares are quoted on AIM, a market operated by the London Stock Exchange Plc. From the 28 September 2018 there was a requirement for AIM listed entities to explain how they adhere to a recognised Corporate Governance policy.

The corporate governance framework which the group operates, including board leadership and effectiveness, board remuneration, and internal control is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the business and is reflective of the group's values. Of the two widely recognised formal codes, the Board decided to adhere to the Quoted Companies Alliance's (QCA) Corporate Governance Code for small and mid-size quoted companies (revised in April 2018 to meet the new requirements of AIM Rule 26). The full code and how the Company adheres to this can be found on the Group's website at www.dcdmedia.co.uk/investors/corporate-governance .

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures.

We have considered how we apply each principle to the extent that the board judges these to be appropriate in the circumstances, and below we provide an explanation of the approach taken. A full explanation for each principle can be seen on the website accordingly. Consideration to the ownership of the business is key in where the board deviate from any QCA code directives. The company is owned 97.69% by two institutional investors with the four board members made up of two directors from Timeweave Ltd, its majority shareholder. Timeweave Ltd owns 71.55% accordingly.

The Directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable while providing the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Board composition and compliance

The Board recognises its collective responsibility for the long-term success of the Group. It assesses business opportunities and seeks to ensure that appropriate controls are in place to assess and manage risk.

The Board of DCD Media currently comprises two executive Directors and two non-executive Directors. During a normal year there are a number of scheduled board meetings with other meetings being arranged at shorter notice as necessary. The Board agenda is set by the Chairman in consultation with the other Directors.

The Board has a formal schedule of matters reserved to it for decision which is reviewed on an annual basis.

Under the provisions of the Company's Articles of Association, all Directors are required to offer themselves for re-election at least once every three years. In addition, under the Articles, any Director appointed during the year will stand for election at the next annual general meeting, ensuring that each Board member faces re-election at regular intervals.

The Directors are entitled to take independent professional advice at the expense of the Company and all have access to the advice and services of the Company Secretary. The Company will take all reasonable steps to ensure compliance by Directors and applicable employees with the provisions of the AIM Rules relating to dealings in securities.

Board evaluation

While there is no formal evaluation of the board on an annual basis in place the director's and the committees do evaluate the contribution of each on an ongoing basis. The board recognise the importance of evaluating the performance of each individual member but also recognise that for the size of company this form of self-evaluation is sufficient currently. Going forward as the company grows we will look to utilise external facilitators in future board evaluations.

The Board has established an Audit, Nomination and Remuneration Committee. All are formally constituted with written terms of reference. The terms of reference are available on request from the Company Secretary.

Audit Committee

During the financial period under review, the members of the Audit Committee were Neil McMyn (Chairman) and Andrew Lindley. Andrew Lindley resigned after the period end on 13 August 2020. He was replaced by Jean-Paul Rohan on 27 August once approved by the existing Board and was subsequently assigned to the remuneration committee.

The responsibilities of the committee include the following:

- ensuring that the financial performance of the Group is properly monitored, controlled and reported on;
- reviewing accounting policies, accounting treatment and disclosures in the financial reports;
- meeting the auditors and reviewing reports from the auditors relating to accounts and internal control systems; and
- overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

During the period, the committee met to review audit planning and findings with regard to the Annual Report. In addition, it reviewed the appointment of auditors, and agreed unanimously to re-elect SRLV Audit Limited.

Remuneration Committee

During the financial period under review, the members of the Remuneration Committee were Neil McMyn (Chairman) and Andrew Lindley. Andrew Lindley resigned after the period end on 13 August 2020. He was replaced by Jean-Paul Rohan on 27 August once approved by the existing Board and was subsequently assigned to the remuneration committee.

The responsibilities of the committee include the following:

- reviewing the performance of the Executive Directors and setting the scale and structure of their remuneration with due regard to the interest of shareholders; and
- overseeing the evaluation of the Executive Directors.

Shareholder engagement

The Directors of the Company are open for discussion with shareholders at any point. Furthermore, they seek to keep shareholders informed through detailed full year and interim results notices, the AGM, RNS releases, an up to date and detailed website as well as through more modern platforms such as Twitter and LinkedIn. The Company promotes the AGM as a chance to ask questions and discuss issues face to face with the board. Given that only 2% of shares are in the public domain (outside of the two major institutional investors) there has been little shareholder engagement in the past few years at the AGM. However, in light of the COVID-19 pandemic and the social distancing measures in place, shareholders will not be able to attend the 2020 AGM in person and arrangements for the AGM may also need to change at short notice. The Company will continue to update shareholders in the usual way, via the Regulatory News System.

Strategy and business model

We aim to deliver original, inspiring and popular television programmes and media content for clients around the world, enabling them to achieve high audience satisfaction and ratings. We strive to become one of the world's leading independent TV rights distributor.

Staff and corporate culture

We encourage a collaborative, innovative and respectful culture across our workforce. We aim to empower our staff as much as possible and to ensure they feel involved with the business and its overall strategy. The business has a minimal level of staff turnover, and while the team is only small, we believe this is testament to the fact that the business is so connecting from top down. We have regular one-to-one meetings with key management personnel to ensure staff are engaged. These, along with team meetings allow for corporate culture to be encouraged and to allow staff to see how they affect it and how they can impact it.

Internal control

The Board has overall responsibility for ensuring that the Group maintains a sound system of internal control to provide it with reasonable assurance that all information used within the business and for external publication is adequate, including financial, operational and compliance control and risk management.

It should be recognised that any system of control can provide only reasonable and not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate those risks that may affect the Group achieving its business objectives.

Going concern

For the reasons set out in the Executive Chairman's Review, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the annual report and financial statements.

Supplier payment policy

The Company and Group's policy is to agree terms of payment with suppliers when agreeing the overall terms of each transaction, to ensure that suppliers are aware of the terms of payment and that Group companies abide by the terms of the payment.

Share capital

Details of the Company's share capital and changes to the share capital are shown in note 19 to the consolidated financial statements.

Resolutions at the Annual General Meeting

The Company's AGM will be held on Tuesday 29 September 2020. Accompanying this Report is the Notice of AGM which sets out the resolutions to be considered and approved at the meeting together with some explanatory notes. The resolutions cover such routine matters as the renewal of authority to allot shares, to dis-apply pre-emption rights and to purchase own shares.

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 period. Under that law the Directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' 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 Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated and parent company financial statements respectively; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website (www.dcdmedia.co.uk) in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Charitable and political donations

Group donations to charities worldwide were £Nil (2018: £Nil). No donations were made to any political party in either period.

Auditor

A resolution to re-appoint SRLV Audit Limited as the Company's auditor will be put forward at the AGM to be held on 29 September 2020.

Disclosure of information to the auditors

In the case of each of the persons who are Directors at the time when the annual report is approved, the following applies:

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

Directors' Report approved by the Board on 03 September 2020 and signed on its behalf by:

D Craven
Executive Chairman and Chief Executive Officer
03 September 2020

Board of Directors

David Craven (Executive Chairman & CEO)

David Craven was appointed CEO of DCD Media in October 2012 and Executive Chairman in January 2014. He is also CEO and a Director of Timeweave Ltd, which he joined in April 2011. David brings significant sector-specific and broad commercial experience to the Group, having held senior roles with News Corporation, UPC Media and Trinity Newspapers. He was also joint MD of the Tote for six years and was closely involved in its privatisation, and has held senior executive roles at UK Betting Plc and Wembley Plc. David was also a co-founder of broadband and interactive TV media group, UPC Chello, and was a co-founder of the Gaming Media Group.

Nicky Davies Williams (Executive Director)

Nicky Davies Williams was appointed CEO of DCD Rights, DCD Media's distribution and licencing division, in December 2005 when she sold NBD TV, a company she founded and ran successfully for over 22 years, to the Group. An English Literature graduate from Leeds University, she began her career in the music business, moving into film and television distribution at Island Pictures, where she rose to the post of Sales Director, prior to founding her own company in 1983. She has managed DCD Rights' growth into one of the world's leading independent distributors. Her experience includes non-executive directorships on the Board of The Channel Television Group from 1991-1998, and as a founding non-executive of the Women in Film and Television in the UK. With primary responsibility as CEO for DCD Rights, in her role as a DCD Media Director she continues to oversee the Penn and Teller Fool US 1/17 co-production in the US for September Films as well as acting as Executive Producer across the Bridezillas US format productions alongside numerous factual series where DCD Rights are co-production partners.

Neil McMyn (Non-Executive Director)

Neil McMyn is a chartered accountant and European Chief Financial Officer of Tavistock Group, an international private investment organisation. Previously Neil spent nine years with Arthur Andersen Corporate Finance in Edinburgh and six years in advisory and funds management roles at Westpac Institutional Bank in Sydney. Neil was also appointed as Chief Financial Officer of Ultimate Finance Group in July 2015 and director of Timeweave Ltd in June 2017. He became a Non-Executive Director of DCD Media in September 2012.

Jean-Paul Rohan (Non-Executive Director)

A highly experienced commercial and business development executive, Jean-Paul Rohan has hands-on experience of building businesses in sports, media, games, wireless, broadband and digital TV markets on a European and global basis. Jean-Paul spent over 10 years in the games industry at a senior level for companies including Activision, Mindscape International and BMG Interactive International. Having worked within the UK and Europe, developing broadband, wireless and interactive TV strategies as well as brokering many of the deals necessary to deliver end applications, together with operators including Sky, UPC, NTL, Telewest BT and mobile network owners, Jean-Paul has considerable experience in understanding the complexities of developing commercial opportunities in this continually converging media and content space. His extensive experience in the creation, commercialisation and protection of IPR across a number of sectors has helped to build some of the strongest and commercially valuable gaming and media businesses in the market today.

Independent auditor's report to the members of DCD Media Plc

We have audited the financial statements of DCD Media Plc (the 'parent company') and its subsidiaries (the 'Group') for the period ended 31 March 2020 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the notes to the consolidated financial statements, the parent company balance sheet, the statement of changes in equity and the notes to the parent company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (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 2020 and of the Group's result for the period then ended;
- the consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted 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 the 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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 Group's or the parent 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.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Valuation of intangibles, rights and licences
In line with the Group's accounting policy, management is required to perform an annual impairment assessment by comparing the carrying value of intangible assets to the net present value of forecast future cash flows generated from the underlying businesses ("Cash Generating Unit or CGU") or specific cash flows (for programme rights).

Management has developed two separate models for this purpose, one to assess the carrying value of goodwill and trade names, and the other to assess the carrying value of programme rights. At the period end, the Group held goodwill, trade names and programme rights.

Our response
We reviewed the capitalisation policy adopted by management, the method of determining amortisation and management's impairment assessment, plus allocation of items to the consolidated income statement where matched to related income.

The trade names and programme rights have been fully impaired/amortised. Goodwill is impaired in line with policies adopted by management and the determination of discount factors utilised in management calculations supporting impairment assessments were considered reasonable.

Revenue recognition
Distribution revenue arises from the licensing of programme rights which have been obtained under distribution agreements. Distribution revenue is recognised in the statement of comprehensive income on signature of the licence agreement and represents amounts receivable from such contracts. In line with the Group's accounting policy, revenue represents amounts receivable from producing programme/production content and is recognised over the period of the production in accordance with the milestones within the underlying signed contract.

Our response
Revenue is recognised appropriately in line with the stated consolidated or parent company financial statements accounting policy, IFRS requirements and the principles for revenue recognition contained within UK GAAP respectively.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based upon our professional judgement, we determined materiality for the financial statements as a whole as follows:

- For the consolidated financial statements, overall materiality was £129,569 (2018 - £109,130). We calculated this using 1.5% of revenue, pro-rated for 12 months (2018 – 1.5% of revenue).
- For the parent company financial statements, overall materiality was £103,097 (2018 - £100,000). We calculated this using 2% of total assets.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across the components was between £6,024 and £129,569. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the audit committee that we would report to them misstatements identified during our audit above £6,478 (Group audit) (2018 - £5,456) £5,155 (parent company audit) (2018 - £5,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including those that required significant auditor consideration at the component and Group level. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including estimates whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud. The Group engagement team performed all of the audit procedures. Procedures were performed to address the risks identified and for the most significant assessed risks of material misstatement. The procedures performed are outlined in the key audit matters section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Directors' report for the financial period 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.

Independent auditor's report to the members of DCD Media Plc

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its 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 on page 13, 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 Group's and 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 Group or 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.

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

Other matters which we are required to address

SRLV Audit Limited was appointed by the audit committee on 14 February 2018 to audit the financial statements for the year ended 31 December 2018, and for the period ended 31 March 2020. SRLV Audit Limited is associated with the previous auditor, SRLV and therefore the total uninterrupted period of engagement is eight years, covering the periods ending 31 December 2012 to 31 March 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company and we remain independent of the Group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Karen Atkinson (Senior Statutory Auditor)
for and on behalf of
SRLV Audit Limited
Chartered Accountants
Statutory Auditor
Elsley Court
20-22 Great Titchfield Street
London
W1W 8BE
3 September 2020

Consolidated income statement for the period ended 31 March 2020

	Note	15 months to 31 March 2020 £'000	12 months to 31 December 2018 £'000
Revenue	4	**10,934**	**7,051**
Cost of sales		(8,882)	(5,392)
Impairment of programme rights	5,11	-	(19)
		(9,882)	(5,411)
Gross profit		**2,052**	**1,640**
Administrative expenses:			
- Other administrative expenses		(2,198)	(1,715)
		(2,198)	**(1,715)**
Operating loss		**(146)**	**(75)**
Finance (costs)/income	7	(10)	17
Loss before taxation		**(156)**	**(58)**
Taxation	8	-	(13)
Loss after taxation from continuing operations		**(156)**	**(71)**
Profit on discontinued operations net of tax	9	-	35
Loss for the financial year		**(156)**	**(36)**
Loss attributable to:			
Owners of the parent		(156)	(36)
		(156)	**(36)**

Earnings per share attributable to the equity holders of the Company during the year (expressed as pence per share)

	Note	15 months to 31 March 2020	12 months to 31 December 2018
Basic loss per share from continuing operations		**(6p)**	**(2p)**
Basic earnings per share from discontinued operations	9	**-**	**1p**
Total basic loss per share	10	**(6p)**	**(1p)**
Diluted loss per share from continuing operations		**(6p)**	**(2p)**
Diluted earnings per share from discontinued operations	9	**-**	**1p**
Total diluted loss per share	10	**(6p)**	**(1p)**

The notes on pages 24 to 49 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the period ended 31 March 2020

	15 months to 31 March 2020 £'000	12 months to 31 December 2018 £'000
Loss for the financial year	**(156)**	**(36)**
Total comprehensive income	**(156)**	**(36)**
Total comprehensive income attributable to:		
Owners of the parent	(156)	(36)
	(156)	**(36)**

Consolidated statement of financial position as at 31 March 2020

Company number 03393610

	Note	As at 31 March 2020 £'000	As at 31 December 2018 £'000
Non-current assets			
Goodwill	11	1,017	1,017
Property, plant and equipment	12	19	27
Right of use assets	13	144	-
Trade and other receivables	14	379	279
		1,559	**1,323**
Current assets			
Trade and other receivables	14	8,137	9,071
Cash and cash equivalents	23	2,735	2,276
		10,872	**11,347**
Total assets		**12,431**	**12,670**
Current liabilities			
Trade and other payables	15	(9,546)	(9,769)
Lease liabilities	16	(146)	-
Taxation and social security	15	(36)	(42)
		(9,728)	**(9,811)**
Total liabilities		**(9,728)**	**(9,811)**
Net assets		**2,703**	**2,859**
Equity			
Equity attributable to owners of the parent			
Share capital	19	12,272	12,272
Share premium account	19	51,215	51,215
Own shares held		(37)	(37)
Retained earnings		(60,747)	(60,591)
Equity attributable to owners of the parent		**2,703**	**2,859**
Total equity		**2,703**	**2,859**

The notes on pages 24 to 49 are an integral part of these consolidated financial statements.

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 03 September 2020.

D Craven
Director

Consolidated statement of cash flows for the period ended 31 March 2020

Cash flow from operating activities including discontinued operations		15 months to 31 March 2020 £'000	12 months to 31 December 2018 £'000
Net loss before taxation		**(156)**	**(23)**
Adjustments for:			
Depreciation of tangible assets	12	208	29
Amortisation and impairment of intangible assets	11	-	19
Net bank and other interest charges/(income)	7	10	(17)
Corporation tax		-	(14)
Net cash flows before changes in working capital		**62**	**(6)**
Decrease in trade and other receivables	14	834	1,650
Decrease in trade and other payables	15	(229)	(651)
Cash from continuing operations		**667**	**993**
Cash flow from discontinued operations			
Net profit before taxation		**-**	**35**
Adjustments for:			
Profit on discontinued operations		-	(35)
Net cash flows before changes in working capital		**-**	**-**
Cash from discontinued operations		**-**	**-**
Cash from operations		**667**	**993**
Interest paid		(10)	-
Net cash flows from operating activities		**657**	**993**
Investing activities			
Purchase of property, plant and equipment	12	(20)	(21)
Net cash flows used in investing activities		**(20)**	**(21)**
Financing activities			
Repayment of finance leases		**(178)**	**-**
Settlement of convertible loans		-	(19)
Net cash flows from financing activities		**(178)**	**(19)**
Net increase in cash		**459**	**953**
Cash and cash equivalents at beginning of period		2,276	1,323
Cash and cash equivalents at end of period	23	**2,735**	**2,276**

The notes on pages 24 to 49 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the period ended 31 March 2020

	Share capital £'000	Share premium £'000	Equity element of convertible loan £'000	Translation reserve £'000	Own shares held £'000	Retained earnings £'000	Equity attributable to owners of the parent £'000	Amounts attributable to non-controlling interest £'000	Total equity £'000
Balance at 31 December 2017	**12,272**	**51,215**	**1**	**-**	**(37)**	**(60,555)**	**2,896**	**-**	**2,896**
Loss and total comprehensive income for the year	-	-	-	-	-	(36)	**(36)**	-	**(36)**
Disposal of convertible loan notes	-	-	(1)	-	-	-	**(1)**	-	**(1)**
Balance at 31 December 2018	**12,272**	**51,215**	**-**	**-**	**(37)**	**(60,591)**	**2,859**	**-**	**2,859**
Loss and total comprehensive income for the period	-	-	-	-	-	(156)	**(156)**	-	**(156)**
Balance at 31 March 2020	**12,272**	**51,215**	**-**	**-**	**(37)**	**(60,747)**	**2,703**	**-**	**2,703**

Notes to the consolidated financial statements for the period ended 31 March 2020

During the period, the principal activity of DCD Media Plc and subsidiaries (the Group) was the worldwide distribution of programmes for television and other media. The Group also distributes programmes on behalf of third-party producers and broadcasters as well as DCD Media formats and productions.

DCD Media Plc is the Group's ultimate parent company and it is incorporated and registered in England and Wales. The address of DCD Media Plc's registered office is 9th Floor, Winchester House, 259 - 269 Old Marylebone Road, London, NW1 5RA, and its principal place of business is London. DCD Media Plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

DCD Media Plc's consolidated financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company. Amounts are presented in rounded thousands. The accounts have been drawn up to the date of 31 March 2020.

1 Principal accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The Group financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by European Union ("Adopted IFRSs"), and with those parts of the Companies Act 2006 applicable to companies preparing their financial statements under Adopted IFRSs.

Basis of preparation – going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Executive Chairman's Review and the Strategic Report. The financial position of the Group, its cash position and borrowings are set out in the performance section of the Strategic Report. In addition, note 18 sets out the Group's objectives, policies and processes for managing its financial instruments and risk.

The Group's day-to-day operations are funded from cash generated from trading and the use of an overdraft facility of £0.15m (£0.15m at 31 December 2018) with other activities funded from a combination of equity and short and medium term debt instruments. As mentioned in the Strategic Report the overdraft facility is currently in the process of being replaced with a revolving credit facility with a gross value of £500k which we expect to be in place at the start of September 2020. At the date of signing, however, the Group's overdraft facility remains available but is repayable on demand.

In considering the going concern basis of preparation of the Group's financial statements, the Board have prepared profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging market environment.

The Directors' forecasts and projections, which make allowance for reasonably possible changes in its trading performance, show that, with the ongoing support of its lenders and its bank, the Group can continue to generate cash to meet its obligations as they fall due.

The Directors, after making enquiries, have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The financial statements do not include the adjustments that would result if the Group or Company were unable to continue as a going concern.

Changes in accounting policies

A number of amendments to standards issued by IASB become effective from 1 January 2020. These have been reviewed and no adjustments deemed necessary. Those becoming effective from 1 January 2020 have not been adopted early by the Group. Management have reviewed these standards and believe none are expected to have a material effect on the Group's future financial statements.

Notes to the consolidated financial statements for the period ended 31 March 2020

1 Principal accounting policies (continued)

IFRS 16

In the period the company has adopted IFRS 16 Leases, requiring companies to recognise assets and liabilities of leases on the balance sheet accordingly. The group has applied IFRS16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

On transition to IFRS16 the group elected to apply the following practical expedients:
For leases previously classified as operating leases under IAS17:
- the company has applied a single discount rate to a portfolio of leases with similar characteristics
- the group has excluded initial direct costs from measuring the right of use asset at the date of initial application.

On transition to IFRS16, the group recognised an additional £323,877 right of use asset and £323,877 of lease liabilities.

When measuring these lease liabilities, the company discounted lease payments using its incremental borrowing rate at 1 January 2019. The borrowing rate applied is 3.5%.

Application of new and revised International Financial Reporting Standards (IFRSs)

New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Standard	Description	Issued date	Effective date
IAS 1 Presentation of Financial Statements	Amendments regarding the classification of liabilities	Jan-20	Jan-22
IAS 1 Presentation of Financial Statements	Amendment to defer the effective date of the January 2020 amendments	Jul-20	Jan-23
IAS 16 Property, Plant and Equipment	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	May-20	Jan-22
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Amendments regarding the costs to include when assessing whether a contract is onerous	May-20	Jan-22
IAS 41 Agriculture	Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements)	May-20	Jan-22
IFRS 1 First-time Adoption of International Financial Reporting Standards	Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter)	May-20	Jan-22
IFRS 3 Business Combinations	Amendments updating a reference to the Conceptual Framework	May-20	Jan-22
IFRS 4	Amendments regarding the expiry date of the deferral approach	Jun-20	Jan-23
IFRS 7	Amendments regarding pre-replacement issues in the context of the IBOR reform	Sep-19	Jan-20
IFRS 9 Financial Instruments	Amendments regarding pre-replacement issues in the context of the IBOR reform	Sep-19	Jan-20
IFRS 9 Financial Instruments	Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the ‘10 per cent’ test for derecognition of financial liabilities)	May-20	Jan-22
IFRS 16 Leases	Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	May-20	Jan-22
IFRS 17 Business Combinations	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023)	Jun-20	Jan-23

No early adoption has been taken up where permitted on any of the above revisions, amendments and original issue IFRSs.

1 Principal accounting policies (continued)

Revenue and attributable profit

Production revenue represents amounts receivable from producing programme/production content and is recognised over the period of the production in accordance with the milestones within the underlying signed contract. Profit attributable to the period is calculated by capitalising all appropriate costs up to the stage of production completion, and amortising production costs in the proportion that the revenue recognised in the year bears to estimated total revenue from the programme. The carrying value of programme costs in the statement of financial position is subject to an annual impairment review.

Where productions are in progress at the year end and where billing is in advance of the completed work per the contract, the excess is classified as deferred income and is shown within trade and other payables.

Distribution revenue arises from the licensing of programme rights which have been obtained under distribution agreements with either external parties or Group companies. Distribution revenue is recognised in the statement of comprehensive income on signature of the licence agreement and represents amounts receivable from such contracts.

Determining the transaction price
Most of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations
There is generally limited judgment involved in allocating amounts to performance obligations as there is one activity driven by each contract. The tasks required to complete that activity are individually valued to prepare the pricing structure.

Practical exemptions
The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- to expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

All revenue excludes value added tax.

Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings drawn up to 31 March 2020. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests

For business combinations completed prior to 1 July 2009, the Group initially recognised any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 July 2009 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The Group has not elected to take the option to use fair value in acquisitions completed to date.

From 1 July 2009, the total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the Group. In accordance with the transitional requirements of IAS 27 (2008), the carrying value of non-controlling interests at the effective date of the amendment has not been restated.

1 Principal accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of a business combination over, in the case of business combinations completed prior to 1 January 2010, the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired and, in the case of business combinations completed on or after 1 July 2009, the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired. For business combinations completed prior to 1 July 2009, cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus any direct costs of acquisition. Changes in the estimated value of contingent consideration arising on business combinations completed by this date are treated as an adjustment to cost and, in consequence, result in a change in the carrying value of goodwill.

For business combinations completed on or after 1 July 2009, cost comprised the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, re-measured subsequently through profit or loss. For business combinations completed on or after 1 January 2010, direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost less estimated residual value by equal annual instalments over their expected useful lives. The rates generally applicable are:

Motor vehicles	25% on cost
Office and technical equipment	25%-33% on cost

The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted if appropriate.

Other intangible assets

Trade names
Trade names acquired through business combinations are stated at their fair value at the date of acquisition. They are amortised through the statement of comprehensive income, following a periodic impairment review, on a straight-line basis over their useful economic lives, such periods not to exceed 10 years.

Programme rights
Internally developed programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Cost comprises the cost of all productions and all other directly attributable costs incurred up to completion of the programme and all programme development costs. Where programme development is not expected to proceed, the related costs are written off to the statement of comprehensive income. Amortisation of programme costs is charged in the ratio that actual revenue recognised in the current year bears to estimated ultimate revenue. At each statement of financial position date, the Directors review the carrying value of programme rights and consider whether a provision is required to reduce the carrying value of the investment in programmes to the recoverable amount. The expected life of these assets is not expected to exceed 7 years.

Purchased programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Purchased programme rights are amortised over a period in-line with expected useful life, not exceeding 7 years.

Amortisation and any charge in respect of writing down to recoverable amount during the year are included in the statement of comprehensive income within cost of sales.

1 Principal accounting policies (continued)

Leased assets

The Group has applied IFRS 16 to each of the periods reported in the consolidated historical financial information.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease; and
- Initial direct costs incurred.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that was applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Nature of leasing activities (in the capacity as lessee)
The Group leases properties in the UK, being the jurisdiction from which it operates. The lease agreements are signed for a fixed amount for the life of the lease after which the lease is reviewed and terms renegotiated.

Programme distribution advances

Advances paid in order to secure distribution rights on third party catalogues or programmes are included within current assets. Distribution rights entitle the Company to license the programmes to broadcasters and DVD labels for a sales commission, whilst the underlying rights continue to be held by the programme owner. The advances are stated at the lower of the amounts advanced to the rights' owners less actual amounts due to rights owners based on sales to date.

1 Principal accounting policies (continued)

Impairment of non-current assets

For the purposes of assessing impairment, assets are grouped into separately identifiable cash-generating units. Goodwill is allocated to those cash-generating units that have arisen from business combinations.

At each statement of financial position date, the Group reviews the carrying amounts of its non-current assets, to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Goodwill is tested for impairment annually. Goodwill impairment charges are not reversed.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value and value in use based on an internal discounted cash flow evaluation.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents. Bank overdrafts are shown in current liabilities on the statement of financial position. Overdrafts are included in cash and cash equivalents for the purpose of the cash flow statement. At the period end there was no overdraft balance in use.

Discontinued operations

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

Equity

Equity comprises the following:

- **Share capital** represents the nominal value of issued Ordinary shares and Deferred shares;
- **Share premium** represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- **Equity element of convertible loan** represents the part of the loan classified as equity rather than liability;
- **Translation reserve** represents the exchange rate differences on the translation of subsidiaries from a functional currency to Sterling at the period end;
- **Own shares held** represents shares in employee benefit trust;
- **Retained earnings** represents retained profits and losses; and
- **Non-controlling interest** represents net assets owed to non-controlling interests.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. Exchange differences arising on the settlement and retranslation of monetary items are taken to the statement of comprehensive income.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated at the exchange rate ruling at the statement of financial position date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and transferred to the Group’s retained earnings reserve.

1 Principal accounting policies (continued)

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

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 on either:

- the same taxable Group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Financial instruments

The Group has applied IFRS 9 across all reporting periods in its consolidated financial statements.

Financial assets
The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss
The Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised. For those that are determined to be credit impaired, lifetime expected credit losses on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

1 Principal accounting policies (continued)

Financial liabilities
The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The accounting policy for each category is as follows:

Fair value through profit or loss
The Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities
Other financial liabilities include the following items:

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loan note and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity. Issue costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity. The interest expense of the liability component is calculated by applying the effective interest rate to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the convertible loan note.

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the year to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Finance charges are accounted for on an effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Equity instruments issued by the Group are recorded as the proceeds received, net of direct costs.

Retirement benefits

The Group contributes to the personal pension plans for the benefit of a number of its employees. Contributions are charged against profits as they accrue.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

Critical judgements in applying the Group's accounting policies
In the process of applying the Group's accounting policies, which are described in note 1, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Revenue recognition
Production revenue represents amounts receivable from producing programme/production content and is recognised over the period of the production in accordance with the milestones within the underlying signed contract.

Recoverability of programmes in the course of production
During the year, management reviewed the recoverability of its programmes in the course of production which are included in its statement of financial position. The projects continue to progress satisfactorily, and management continue to believe that the anticipated revenues will enable the carrying amount to be recovered in full.

Carrying value of goodwill and trade names
Determining whether goodwill and trade names are impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill and trade names at the statement of financial position date was £1.0m. Details relating to the allocation of goodwill to cash-generating units and potential impairment calculations are given in note 11.

Carrying value of programme rights
Determining whether programme rights are impaired requires an estimation of the value in use of the cash-generating unit to which the rights have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of programme rights at the statement of financial position date was £Nil. Details of the impairment review calculations are given in note 11.

Adequacy of accruals and provisions
Determining whether accruals and provisions are adequate requires an estimate to be made of the likelihood of a liability crystallising and the potential amount. Management has reviewed each provision and, where considered necessary, has taken external advice to ensure adequacy.

Determining the discount factor for right-of-use asset and lease liabilities
The discount rate used in the calculation of the lease liability involves estimation. Discount rates are calculated on a lease by lease basis. For the property leases that make up substantially all of the Group's lease portfolio this results in 2 approaches. For the majority of the Group's property leases, the implicit rate in the lease can be calculated and is therefore adopted. Otherwise, for other leases the rate used is based on estimates of incremental borrowing costs. These will depend on the territory of the relevant lease and hence the currency used, the date of lease inception, and the lease term.

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. Where a lease includes the option for the Group to extend the lease term, the Group makes a judgement as to whether it is reasonably certain that the option will be taken. This will take into account the length of time remaining before the option is exercisable; current trading; future trading forecasts as to the ongoing profitability of the attraction; and the level and type of planned future capital investment. At this point it is not reasonably certain the Group's leases will be renewed, taking into account the factors noted above. This judgement is reassessed at each reporting period. A reassessment of the remaining life of the lease could result in a recalculation of the lease liability and a material adjustment to the associated balances.

Notes to the consolidated financial statements for the period ended 31 March 2020

3 Segment information

Under IFRS 8 the accounting policy for identifying segments is based on the internal management reporting information that is regularly reviewed by the senior management team.

The Group has two main reportable segments:

- ***Rights and Licensing*** – This is the primary division and is involved with the sale of distribution rights, DVDs, music and publishing deals through DCD Rights.
- ***Production*** - This smaller division is involved in the production of television content.

The Group's reportable segments are strategic business divisions that offer different products to different markets, while its Other division is its head office function which manages activities that cannot be reported within the other reportable segments. They are managed separately because each business requires different management and marketing strategies.

Uniform accounting policies are applied across the entire Group. These are described in note 1 of the financial statements.

The Group evaluates performance of the basis of profit or loss from operations but excluding exceptional items such as goodwill impairments. The Board considers the most important KPIs within its business segments to be revenue, segmental adjusted EBITDA and adjusted profit before tax.

Inter-segmental trading occurs between the Rights and Licensing division and the Production divisions where sales are made of distribution rights. Royalties and commissions paid are governed by an umbrella agreement covering the Group that applies an appropriate rate that is acceptable to the local tax authorities.

Segment assets include all trading assets held and used by the segments for their day to day operations. Goodwill and trade-names are allocated to their respective segments. Segment liabilities include all trading liabilities incurred by the segments. Loans and borrowings incurred by the Group are not allocated to segments. Details of these balances are provided in the reconciliations below:

2020 Segmental analysis – income statement

	Production	**Rights and Licensing**	**Other**	**Total 2020**
	£'000	**£'000**	**£'000**	**£'000**
Total revenue	362	10,731	43	**11,136**
Inter-segmental revenue	(160)	-	(42)	**(202)**
Total revenue from external customers	202	10,731	1	**10,934**
Group's revenue per consolidated statement of comprehensive income	**202**	**10,731**	**1**	**10,934**
Operating profit/(loss) before tax – continuing operations	309	(501)	46	(146)
Operating profit/(loss) before interest and tax	**309**	**(501)**	**46**	**(267)**
Depreciation	-	208	-	**208**
Segmental EBITDA	**309**	**(293)**	**46**	**62**
Continuing adjusted EBITDA	*340*	*20*	*46*	*406*
Discontinued adjusted EBITDA	*(31)*	*(313)*	*-*	*(344)*
Net finance (expense)/income	-	(10)	-	**(10)**
Depreciation		(208)		**(208)**
Segmental adjusted profit/(loss) before tax	**309**	**(511)**	**46**	**(156)**
Continuing segmental adjusted profit/(loss) before tax	340	(198)	46	**188**
Discontinuing segmental adjusted loss before tax	(31)	(313)	-	**(344)**

Notes to the consolidated financial statements for the period ended 31 March 2020

2020 Segmental analysis – financial position

	Production	Rights and Licensing	Other	Total 2020
	£'000	**£'000**	**£'000**	**£'000**
Non-current assets	-	542	-	542
Reportable segment assets	117	11,179	118	**11,414**
Goodwill	393	624	-	**1,017**
Total Group assets	**510**	**11,803**	**118**	**12,431**
Reportable segment liabilities	(45)	(9,615)	(68)	**(9,728)**
Total Group liabilities	**(45)**	**(9,615)**	**(68)**	**(9,728)**

2018 Segmental analysis – income statement

	Production	Rights and Licensing	Post Production	Other	Total 2018
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Total revenue	534	6,716	-	49	**7,299**
Inter-segmental revenue	(200)	-	-	(48)	**(248)**
Total revenue from external customers	334	6,716	-	1	**7,051**
Group's revenue per consolidated statement of comprehensive income	**334**	**6,716**	**-**	**1**	7,051
Operating profit/(loss) before tax – continuing operations	440	(572)	-	58	(74)
Operating profit before tax – discontinued operations			35	-	35
Operating profit/(loss) before interest and tax	**440**	**(572)**	**35**	**58**	**(39)**
Impairment of programme rights	19	-	-	-	**19**
Depreciation	-	29	-	-	**29**
Segmental EBITDA	**459**	**(543)**	**35**	**58**	**9**
Continuing adjusted EBITDA	*459*	*(543)*	*-*	*58*	*(26)*
Discontinued adjusted EBITDA	*-*	*-*	*35*	*-*	*35*
Net finance (expense)/income	(1)	-	-	18	**17**
Depreciation	-	(29)	-	-	**(29)**
Segmental adjusted profit/(loss) before tax	**458**	**(572)**	**35**	**76**	**(3)**
Continuing segmental adjusted profit/(loss) before tax	458	(572)	-	76	**(38)**
Discontinuing segmental adjusted profit before tax	-	-	35	-	**35**

2018 Segmental analysis – financial position

	Production	Rights and Licensing	Post Production	Other	Total 2018
	£'000	£'000	£'000	£'000	£'000
Non-current assets	-	27	-	-	**27**
Reportable segment assets	82	11,425	-	146	**11,653**
Goodwill	393	624	-	-	**1,017**
Total Group assets	**475**	**12,049**	**-**	**146**	**12,670**
Reportable segment liabilities	(48)	(9,197)	-	(566)	**(9,811)**
Total Group liabilities	**(48)**	**(9,197)**	**-**	**(566)**	**(9,811)**

4 Revenue from contracts with customers

The Group's headquarters is based in the United Kingdom. Outside the United Kingdom, sales are generally denominated in US dollars.

Revenue, which excludes value added tax and transactions between Group companies, represents the sale of television production services, commissions on television and film distribution rights and the sale of television and film distribution rights on behalf of third-party producers.

Disaggregation of revenue
The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- enable users to understand the relationship with revenue segment information provided in note 3.

The following table provides an analysis of the Group's revenue from continuing operations by geographical market, irrespective of the origin of the goods or services:

	15 months to 31 March 2020 £'000	Year ended 31 December 2018 £'000
United Kingdom	1,529	568
Rest of Europe	2,234	1,348
North and South America, including Canada	3,452	2,774
Rest of the World	3,719	2,361
	10,934	**7,051**

Due to the significant change in the way in which television programming can be viewed, more towards VOD platforms, deals are becoming increasingly multi-territory ones. This has resulted in many sales being classed as "Rest of the World" where previously they would have been more easily assessed under one of the other categories.

4 Revenue from contracts with customers (continued)

Contract balances

The following table provides information about contract assets (included as accrued income) and contract liabilities (included as deferred income) from contracts with customers:

	31 March 2020 £'000	31 December 2018 £'000
Contract assets (accrued income)	1,421	2,309
Contract liabilities (deferred income)	-	-
	1,421	**2,309**

The movement in the contract assets and liabilities during the year is set out below:

	Contract assets £'000
At 1 January 2019	2,309
Transfers in the period from contract assets to trade receivables	(2,309)
Excess of revenue recognised over cash (or rights to cash)	1,421
At 31 March 2020	**1,421**

	Contract liabilities £'000
At 1 January 2019	-
Amounts included in contract liabilities recognised as revenue in the period	-
Cash received in advance of performance and not recognised as revenue during the period	-
At 31 March 2020	**-**

Contract assets (accrued income) and contract liabilities (deferred income) are included within trade and other receivables and trade and other payables respectively on the face of the statement of financial position. They arise from the Group's revenue contracts where work has been performed in advance of invoicing customers and where revenue is received in advance of work performed. Cumulatively, payments received from customers at each balance sheet date do not necessarily equate to the amount of revenue recognised on the contracts.

5 Expenses by nature

	15 months to 31 March 2020 £'000	Year ended 31 December 2018 £'000
Auditor's remuneration:		
Fees payable to the Company's auditor:		
For the audit of the Company's annual accounts	30	25
For the audit of other Group companies	19	25
Operating lease rentals:		
Other	-	173
Gain on foreign exchange fluctuations	37	-
Depreciation, amortisation and impairment:		
Intangible assets - programme impairment in cost of sales (note 11)	-	19
Property, plant and equipment (note 12)	28	29
Right-of-use assets (note 13)	180	-
Staff costs (note 6)	1,379	1,032

6 Directors and employees

Staff costs during the year, including Directors, were as follows:

	15 months to 31 March 2020 £'000	Year ended 31 December 2018 £'000
Wages and salaries	1,192	905
Social security costs	143	113
Other pension costs (note 22)	28	14
Redundancy costs	16	-
	1,379	**1,032**

The average number of employees of the Group during the year were as follows:

	15 months to 31 March 2020 No.	Year ended 31 December 2018 No.
Sales and distribution	9	12
Directors and administration	8	6
	17	**18**

Remuneration in respect of the Directors, who are the key management personnel of the Group was as follows for the period:

	Emoluments £'000	Pension Contributions £'000	Money value of non-cash benefits received £'000	15 months to 31 March 2020 Total £'000
D Craven	125	-	-	**125**
N Davies Williams	200	6	20	**226**
N McMyn	13	-	-	**13**
A Lindley	4	-	-	**4**
	342	**6**	**20**	**368**

	Emoluments £'000	Pension Contributions £'000	Money value of non-cash benefits received £'000	2018 Total £'000
D Craven	100	-	-	**100**
N Davies Williams	159	3	15	**177**
N McMyn	25	-	-	**25**
A Lindley	-	-	-	**-**
	284	**3**	**15**	**302**

Employee Benefit Trust

In 2012, 7,218,750 shares, that had been held by the directors of Done and Dusted Ltd, were transferred into an employee benefit trust. After the share consolidation in 2013, the number of shares reduced to 7,218 and following a transfer of 4,000 to an ex-director in 2013, the number of shares at 31 March 2020 was 3,218 (31 December 2018: 3,218).

7 Finance costs

	15 months to 31 March 2020 £'000	12 months to 31 December 2018 £'000
Convertible loan interest charge	-	(18)
Interest charged on operating leases	13	-
Other interest charges	(3)	1
	10	**(17)**

8 Taxation on ordinary activities

Recognised in the statement of comprehensive income:

	15 months to 31 March 2020 £'000	Year ended 31 December 2018 £'000
Current tax expense:		
Continuing operations		
UK corporation tax	-	(13)
Total tax charge in statement of comprehensive income	**-**	**(13)**

Tax charge/(credit) represents:	15 months to 31 March 2020 £'000	12 months to 31 December 2018 £'000
Loss on ordinary activities – continuing operations	(156)	(58)
Profit on ordinary activities – discontinued operations	-	35
	(156)	(23)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(29)	(4)
Effects of:		
Expenses not deductible for tax purposes (amortisation and impairment of intangibles)	36	9
Depreciation in excess of capital allowances	25	(15)
Brought forward losses utilised	(32)	10
Adjustment for prior years	-	13
Total tax charge/(credit)	**-**	**13**

A deferred tax asset of approximately £2.2m (2018: £2.3m) arising principally from losses in the Group has not been recognised. The Directors believe that it is prudent not to recognise the deferred tax asset within the financial statements. The asset has been calculated based upon the 2020 tax rate of 19% (2018: 19%).

9 Discontinued operations

In November 2017, the Board made the decision to cease trading within Sequence Post Ltd. The business had been loss making and following a notification to increase rental charges the business was no longer viable. The staff were made redundant in November 2017. The business did not trade in the period ending 31 March 2020 or during the prior period end, with only a small number of accounting adjustments occurring.

Result of discontinued operations	15 months to 31 March 2020 £'000	Year ended 31 December 2018 £'000
Profit from discontinued operations before tax	-	35
Tax expense	-	-
Profit from discontinued operations after tax	**-**	**35**
Basic earnings per share (pence)	-	1p

10 Earnings per share

The calculation of the basic profit per share is based on the profit attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. The calculation of diluted profit per share is based on the basic profit per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and interest, on the assumed conversion of all other dilutive options and other potential ordinary shares.

	Loss £'000	Weighted average number of shares	2020 Per share amount pence	Loss £'000	Weighted average number of shares	2018 Per share amount pence
Basic and diluted loss per share						
Loss attributable to ordinary shareholders	(156)	2,541,419	(6)	(36)	2,541,419	(1)

Notes to the consolidated financial statements for the period ended 31 March 2020

11 Goodwill and intangible assets

	Goodwill £'000	Trade Names £'000	Programme Rights £'000	Total £'000
Cost				
At 1 January 2018	17,388	8,036	36,946	62,370
At 31 December 2018	**17,388**	**8,036**	**36,946**	**62,370**
At 1 January 2019	17,388	8,036	36,946	62,370
At 31 March 2020	**17,388**	**8,036**	**36,946**	**62,370**
Amortisation and impairment				
At 1 January 2018	**16,371**	**8,036**	**36,927**	**61,334**
Impairment provided in year in cost of sales	-	-	19	19
At 31 December 2018	**16,371**	**8,036**	**36,946**	**61,353**
At 31 March 2020	**16,371**	**8,036**	**36,946**	**61,353**
Net book value				
At 31 March 2020	**1,017**	**-**	**-**	**1,017**
At 31 December 2018	1,017	-	-	1,017

Goodwill and trade names

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination.

Details of goodwill allocated to cash generating units for which the amount of goodwill so allocated is as follows:

	Segment (note 3)	Goodwill carrying amount 31 March 2020 £'000	31 December 2018 £'000
Cash generating units (CGU):			
DCD Rights Ltd	Rights and Licensing	624	624
September Films Ltd	Production	393	393
		1,017	**1,017**

11 Goodwill and intangible assets (continued)

Goodwill and trade names (continued)

Goodwill and trade names are allocated to CGUs for the purpose of the impairment review. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and expected profitability of the CGUs over the future seven years. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks inherent in the CGUs.

The Board performs an annual impairment review of all intangible assets, including goodwill and trade names. The recoverable amounts of all the above CGUs have been determined from value in use calculations. Detailed budgets and forecasts cover a two-year period to March 2022. The forecasts are then extrapolated for a further five years using models that estimate the distribution income profile of the GGU's library. The Board uses this seven-year period of projection as it believes it is reasonably aligned with the expected lifespan of a TV production. There has been no impairment arising from this value in use calculation for the current period or the year to December 2018.

The key assumption used for value in use calculations is the discount factor applied to the forecasts.

The rate used to discount the forecast cash flows is 5.0% for all CGUs. If the discount rates used were increased by 3% to 8.0%, the carrying value of goodwill would still not be impaired.

	Discount factor	
	31 March 2020 %	31 December 2018 %
Cash generating units (CGU):		
DCD Rights Ltd	5.0	4.1
September Films Ltd	5.0	4.1

Programme rights

Any programme rights held were fully impaired as at the end of 31 December 2018 and nothing has been added in the period to 31 March 2020, so no impairment charge has been recognised in this period.

12 Property, plant and equipment

	Office and technical equipment £'000
Cost	
At 1 January 2018	106
Additions	21
At 31 December 2018	**127**
At 1 January 2019	127
Additions	20
At 31 March 2020	**147**
Depreciation	
At 1 January 2018	71
Provided in year	29
At 31 December 2018	**100**
At 1 January 2019	100
Provided in period	28
At 31 March 2020	**128**
Net book value	
At 31 March 2020	**19**
At 31 December 2018	27

13 Right-of-use assets

On 1 January 2019, the Group adopted IFRS 16 Leases. The breakdown of changes in right-of-use assets for the period ended 31 March 2020 is as follows:

	Leasehold property £'000
Cost	
At 31 December 2018	**-**
First application IFRS 16	324
At 1 January 2019 and 31 March 2020	**324**
Depreciation	
At 31 December 2018	**-**
Provided in period	180
At 31 March 2020	**180**
Net book value	
At 31 March 2020	**144**
At 31 December 2018	-

As noted previously, the Group adopted IFRS 16 in the period. As such the Group has recognised assets that are right-of-use and held under finance leases in the period totalling £324k in cost and £180k in depreciation. As part of this adoption no prior period restatement is required, nothing was recognised in the 2018 year for this change in accounting policy as it was not adopted early.

The total amount above relates to buildings. The Group's normal lease duration is 5 years. The liabilities recognised as a consequence of the IFRS 16 first application as of 1 January 2019 are included in the heading "Lease liabilities" within note 15 and a breakdown of changes in lease liabilities for the period to 31 March 2020 is also detailed at note 16.

13 Right-of-use assets and lease liabilities (continued)

The total amount above relates to buildings. The Group's normal lease duration is 5 years and the current lease is due to end on 31 March 2021.

14 Trade and other receivables

Due after one year

	31 March 2020 £'000	31 December 2018 £'000
Trade receivables	361	233
Other receivables	19	46
Total trade and other receivables due after one year	**379**	**279**

Due within one year

	31 March 2020 £'000	31 December 2018 £'000
Trade receivables	5,501	5,313
Less: expected credit loss	-	-
Trade receivables – net	5,501	5,313
Taxation and social security	274	250
Other receivables	640	662
Contract assets	1,421	2,309
Prepayments	301	537
Total trade and other receivables due within one year	**8,137**	**9,071**
Total financial assets other than cash and cash equivalents classified as loans and receivables	**8,137**	**9,071**

The average credit period taken on sales of goods is 245 days (2018: 287 days). No interest is charged on receivables within the agreed credit terms. Thereafter, interest may be charged.

An allowance for impairment is made in accordance with expected credit loss method. The Group considers historic, current and forward looking information including macroeconomic conditions, in order to assess an appropriate provision. The Group provides, in full, for any debts it believes have become non-recoverable. The directors have reviewed their customer portfolio and marketplace and do not consider the risk of bad debt to be material to the business.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable set out above.

The ageing of trade receivables that have not been provided for are:

	31 March 2020 £'000	31 December 2018 £'000
Not due yet		
0-29 days	3,071	3,193
Overdue		
30-59 days	116	152
60-89 days	356	538
90-119 days	622	105
120+ days	1,697	1,558
	5,862	**5,546**
Trade debtors in current assets	5,501	5,313
Trade debtors in non-current assets	361	233
	5,862	**5,546**

15 Trade and other payables

	31 March 2020 £’000	31 December 2018 £’000
Trade payables	310	140
Other payables	219	365
Accruals	8,889	7,925
Taxation and social security	36	42
Amount owed to related parties (note 21)	128	1,339
Lease liabilities (note 16)	146	-
Total trade and other payables	**9,728**	**9,811**
Total financial liabilities, excluding loans and borrowings, classified as financial liability measured at amortised cost	**9,692**	**9,769**

16 Lease liabilities

The liabilities recognised as a consequence of the IFRS 16 first application as of 1 January 2019 are included in the heading “Lease liabilities” within trade and other payables in relation to the Group’s head office. The breakdown of changes in lease liabilities for the period to 31 March 2020 is as follows.

	Lease liabilities £’000
Balance at 31 December 2018	**-**
First application IFRS 16	324
At 1 January 2019	**324**
Interest expense	13
Lease payments	(191)
At 31 March 2020	**146**

The Group maintains property, plant and equipment on operating leases. The total future value of minimum lease payments are due as follows:

	31 March 2020 £'000	31 December 2018 £'000
Not later than one year	152	144
Later than one year and not later than five years	-	170
	152	**314**

On 13 April 2016, the group entered into a property lease obligation for a five-year period to 31 March 2021 and with annual rent of £132,000 plus shared service costs for the building.

17 Interest bearing loans and borrowings

Due within one year

	31 March 2020 £'000	31 December 2018 £'000
Bank overdraft (secured)	-	-

The principal terms and the debt repayment schedule for the Group's loans and borrowings are as follows as at 31 March 2020:

	Currency	Nominal rate %	Year of maturity
Bank overdraft (secured)	Sterling	3.5 over Base Rate	2019

Bank borrowings

The bank overdraft is currently operating on a rolling basis, as it was due for renewal in November 2019, and is repayable on demand. As mentioned previously the Group and Coutts have been working to replace the overdraft with a revolving facility with a gross value of £500k and the Directors expect this to be in place following countersignature at the start of September 2020. As such, the Directors expect the Group to have access, if required, to sufficient funds for the foreseeable future. Bank overdrafts are secured by a fixed charge over the Group's intangible programme rights and a floating charge over the remaining assets of the Group. The new facility will be secured against a floating charge over the assets of the Group and will replace the current charge held by the overdraft.

18 Financial risk management

Financial risk factors

The Group's financial assets and liabilities comprise cash, including short term deposits, trade and other receivables and trade and other payables that arise directly from its operations, overdrafts, bank loans and convertible debt. The main risks arising from the Group's financial assets and liabilities are interest rate risk, liquidity risk, credit risk and currency risk. The Board has reviewed and agreed policies for managing each of these risks and they are summarised below. The Group has no financial assets other than trade receivables and cash at bank. The values in the Consolidated Statement of Financial Position for the financial assets and liabilities are not materially different from their fair values.

Interest rate risk

The Group finances its operations at present through equity, bank overdraft, convertible debt and working capital. The Group manages its exposure to interest rate fluctuations by mixing the duration of its deposits and borrowings to reduce the impact of interest rate fluctuations.

Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Some liquidity risk arises from the nature of production income, which does not always arise in an even manner, and the Group's policy is to ensure there are sufficient cash reserves to meet liabilities during such periods.

Liquidity risk also arises from the interest charges and repayment terms of convertible debt, which the Group seeks to manage by means of periodic charges for central administration services and support to each Group entity. These are incorporated into rolling twelve-month Group cash flow forecasts, which are reviewed by the Board monthly, and the cash flows are monitored at Group level by weekly cash reports from each operating entity. Short term flexibility is provided through the availability of a bank overdraft facility, and shortly through a revolving credit facility that replaces the overdraft.

Credit risk

The Group's principal financial assets are bank balances, cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The Group operates to ensure that the payment terms of customers are matched to the Group's own contractual obligations in terms of delivery of programmes and rights. The principal source of Group income is commissioning broadcasters, who are not considered to be a significant credit risk because of their size and financial resources. Other Group income is derived from distribution sales worldwide, and credit risk is assessed in relation to knowledge of the customer or by credit references. To minimise credit risk contractual terms may require that payment is made before delivery of materials.

18 Financial risk management (continued)

Currency risk

The Group operates in overseas markets and is subject to exposures on transactions undertaken during the year. The Group's exposure to exchange rate fluctuations is small based on its revenue and cost base and its policy is not to hedge against foreign currency transactions.

The sterling equivalent of the Group's assets and liabilities denominated in foreign currencies at 31 March 2020 and 31 December 2018 was as follows:

	Assets		Liabilities	
	31 March 2020 £'000	31 December 2018 £'000	31 March 2020 £'000	31 December 2018 £'000
US dollar	3,691	4,339	(8)	(8)
Euros	887	435	(20)	(24)
Other	978	578	-	-
Total assets/(liabilities)	**5,556**	**5,352**	**(28)**	**(32)**

The main foreign currency that the Group is exposed to is US dollar. Assets include monies due on contracts while above liabilities exclude the commissions payable, these currently sit as accruals and deferred income than trade and other payables. Taking the net balance of these two any movement in the exchange rate is not material, while on a stand-alone basis on either assets or liabilities it would appear to be.

Interest rate and liquidity risk

Interest rate sensitivity
The sensitivity analysis has been based on the average exposure to floating rate debt during the year. It has been assumed that floating interest rates were 200 basis points higher than those actually incurred. The effect of such a change would not be material to profit before tax for the year, as was the case in 2018.

Capital risk management
The capital structure of the Group consists of convertible loan note loan financing, bank loan financing and the shareholders' equity comprising issued share capital and reserves.

The capital structure of the Group is reviewed on an ongoing basis with reference to the costs applicable to each element of capital, future requirements of the Group, flexibility of capital to be drawn down and availability of further capital should it be required. Management prepare cash flow projections to plan for repayment of loan facilities used. These projections are reviewed on a regular basis to check that the Group will be able to settle liabilities as they fall due.

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted contractual maturities of the financial liabilities.

18 Financial risk management (continued)

31 March 2020	Weighted average effective interest rate %	Less than 1 month or on demand £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Fixed rate							
Trade payables	n/a	250	-	-	-	-	**250**
Floating rate							
Bank overdrafts	3.5%	-	-	-	-	-	**-**

31 December 2018	Weighted average effective interest rate %	Less than 1 month or on demand £'000	1-3 months £'000	3-12 months £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Fixed rate							
Trade payables	n/a	140	-	-	-	-	**140**
Floating rate							
Bank overdrafts	3.5%	-	-	-	-	-	**-**

19 Share capital

	31 March 2020 £'000	31 December 2018 £'000
Share capital	12,272	12,272
Share premium	51,215	51,215
	63,487	**63,487**

Issued capital comprises:

	31 March 2020 £'000	31 December 2018 £'000
Allotted, called up and fully paid		
2,541,419 ordinary shares of £1 each	2,541	2,541
9,730,514 deferred shares of £1 each	9,731	9,731
	12,272	**12,272**

Fully paid ordinary shares:

Ordinary shares have full voting, dividend and capital distribution rights attached to them.

	Number of shares	Share capital £'000	Share premium £'000
Balance at 1 January 2019 and 31 March 2020	12,271,933	12,272	51,215

Pursuant to a resolution passed on 24 July 2012 and in accordance with the provisions of the Companies Act 2006 the Company ceased to have authorised share capital.

The deferred shares are not entitled to receive a dividend or other distribution, to attend or vote at any General Meeting and on return of capital on a winding up, shall only be entitled to receive the amount paid up on the shares after holders of the ordinary shares have received £100,000 for each ordinary share.

Notes to the consolidated financial statements for the period ended 31 March 2020

20 Capital commitments

There were no capital commitments at 31 March 2020 or 31 December 2018.

21 Transactions with directors and other related parties

Loans to Directors

At 31 March 2020 and 31 December 2018 there were no loans due to Directors.

Other transactions

During the period the following amounts were charged by companies in which the Directors have an interest or share directorships:

Company	Director	Amount charged 15 months to March 2020 £'000	2018 £'000	Description
Timeweave Ltd	D Craven	-	108	Provision of director, finance and management services
Ultimate Finance Group Ltd	N McMyn	31	17	Provision of director, finance and management services

The balances outstanding at the year-end were as follows:

Company	Director	Amount payable 15 months to March 2020 £'000	2018 £'000	Description
Timeweave Ltd	D Craven	-	504	Provision of director, finance and management services
Ultimate Finance Group Ltd	N McMyn	8	(20)	Provision of director, finance and management services

Other related party transactions

In 2012, DCD Rights Ltd secured a deal with Timeweave Ltd, a shareholder of DCD Media plc, to create a new fund for the acquisition of third-party distribution rights. At 31 March 2020, DCD Rights Ltd was owed £Nil to Timeweave Ltd (31 December 2018: £835,046).

Compensation of key management personnel of the Group

	15 months to 31 March 2020 £'000	31 December 2018 £'000
Short-term employee benefits	516	435
Pension benefits	10	6
	526	**441**

Only directors and employees who attend the monthly executive meetings are deemed to be key management personnel.

The principal operating subsidiary companies are listed below:

Subsidiary	Country of incorporation	% owned	Nature of business
DCD Rights Ltd	England & Wales	100%	Distribution of programme rights
September Films Ltd	England & Wales	100%	Production of programmes for television
Rize Television Ltd	England & Wales	100%	Production of programmes for television

22 Retirement benefit schemes

The Group contributed to the personal pension plans of 18 employees in the period (year to 31 December 2018: 18). Contributions in the year amounted to £28,084 (2018: £14,555).

23 Notes supporting the cash flow statement

Cash and cash equivalents for the purposes of the cash flow statement comprises:

	31 March 2020 £'000	31 December 2018 £'000
Cash available on demand	2,735	2,276
	2,735	**2,276**

24 Ultimate parent company and ultimate controlling party

The immediate parent company is Timeweave Ltd, registered in England and Wales. The smallest and largest group that consolidates the results of the Company is Mayfair Capital Investments UK Ltd, registered in Scotland. The results of Mayfair Capital Investments UK Ltd can be obtained from Companies House website at www.companieshouse.gov.uk .

The Directors consider the family interests of Mr Joe Lewis to have ultimate control by virtue of their indirect beneficial ownership of the issued share capital of Mayfair Capital Investments Ltd, a company incorporated in the Bahamas. The Directors consider Mayfair Capital Investments Ltd to be the ultimate parent company.

Parent company balance sheet as at 31 March 2020

Company number 03393610

	Note	As at 31 March 2020 £'000	As at 31 December 2018 £'000
Fixed assets			
Intangible assets	3	-	-
Investments	4	1,608	1,675
Trade and other receivables	5	18	46
		1,626	**1,721**
Current assets			
Trade and other receivables	5	1,496	1,497
Cash at bank and in hand		45	45
		1,541	**1,542**
Total assets		**3,167**	**3,263**
Creditors: amounts falling due within one year	6	**(1,505)**	**(1,580)**
Total liabilities		**(1,505)**	**(1,580)**
Net assets		**1,662**	**1,683**
Capital and reserves			
Called up share capital	7	12,272	12,272
Share premium account		51,215	51,215
Own shares held		(37)	(37)
Profit and loss account		(61,788)	(61,767)
Shareholders' funds		**1,662**	**1,683**

The notes on pages 51 to 56 are an integral part of these parent company financial statements.

The parent company financial statements were approved and authorised for issue by the Board of Directors on 03 September 2020.

D Craven
Director

Parent company statement of changes in equity for the period ended 31 March 2020

	Share capital £'000	Share premium £'000	Equity element of convertible loan £'000	Own shares held £'000	Retained earnings £'000	Total equity £'000
Balance at 31 December 2017	**12,272**	**51,215**	**1**	**(37)**	**(61,833)**	**1,618**
Disposal of convertible loan notes			**(1)**			**(1)**
Loss and total comprehensive income for the year	**-**	**-**	**-**	**-**	(218)	**(218)**
Balance at 31 December 2018	**12,272**	**51,215**	**-**	**(37)**	**(61,767)**	**1,683**
Loss and total comprehensive income for the period	**-**	**-**	**-**	**-**	(21)	**(21)**
Balance at 31 March 2020	**12,272**	**51,215**	**-**	**(37)**	**(61,788)**	**1,662**

Notes to the parent company financial statements for the period ended 31 March 2020

During the period, the principal activity of DCD Media Plc was that of a parent company.

DCD Media Plc is the Group's ultimate parent company, and it is incorporated and registered in England and Wales. The address of DCD Media Plc's registered office is 9th Floor, Winchester House, 259 - 269 Old Marylebone Road, London, NW1 5RA, and its principal place of business is London. DCD Media Plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

DCD Media Plc's financial statements are presented in Pounds Sterling (£), which is also the functional currency of the Company. Amounts are presented in rounded thousands. The accounts have been drawn up to the date of 31 March 2020.

1 Principal accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Executive Chairman's review. The financial position of the Group, its cash position and borrowings are set out in the financial review section of the statement. In addition, note 18 to the consolidated financial statements sets out the Group's objectives, policies and processes for managing its financial instruments and risk. The Directors have adopted the going concern assumption in the preparation of the financial statements; please see note 1 of the consolidated financial statements for more detail. The Company has taken advantage of the reduced disclosure requirements to not prepare a statement of cash flows in line with FRS 102 paragraph 1.11 and 1.12.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether amounts recoverable from group companies are recoverable and the carrying value of investments are appropriate. These decisions depend on the financial position of the relevant group company and forecasts of future cash flows.
- Assess the recoverability of other debtors. The Directors have assessed the financial position of the relevant counterparties.
- Determine whether leases are finance or operating leases. Material leases have been reviewed to assess appropriateness of classification.
- Review the carrying value of tangible fixed assets.
- Assess the adequacy of accruals and provisions. Directors have assessed the likelihood and scale of potential liabilities that were present at the balance sheet date.

Leasing

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Pension costs

No pension costs were paid in the current or prior year. Pension costs are charged against profits when they are accrued.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred by the statement of financial position date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the statement of financial position date. Deferred tax balances are not discounted.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. Any differences are taken to the income statement.

Equity

See relevant accounting policy of the consolidated financial statements.

1 Principal accounting policies (continued)

Revenue and attributable profit

Revenue arises from the licensing of programme rights which have been obtained under distribution agreements with either external parties or Group companies. Distribution revenue is recognised in the statement of comprehensive income on signature of the licence agreement and represents amounts receivable from such contracts.

All revenue excludes value added tax.

Intangible assets - programme rights

Internally developed programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Cost comprises the cost of all productions and all other directly attributable costs incurred up to completion of the programme and all programme development costs. Where programme development is not expected to proceed, the related costs are written-off to the income statement. Amortisation of programme costs is charged in the ratio that actual revenue recognised in the current year bears to estimated ultimate revenue. At each statement of financial position date, the Directors review the carrying value of programme rights and consider whether a provision is required to reduce the carrying value of the investment in programmes to the recoverable amount. The expected life of these assets is not expected to exceed 7 years.

Purchased programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Purchased programme rights are amortised over a period in line with expected useful life, not exceeding 7 years.

Amortisation and any charge in respect of writing down to recoverable amount during the year are included in the income statement within cost of sales.

Financial instruments

Financial assets are recognised in the statement of financial position at the lower of cost and net realisable value. Provision is made for diminution in value where appropriate. Income and expenditure arising on financial instruments is recognised on the accruals basis and credited or charged to the income statement in the financial year to which it relates.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost or net realisable value.

2 Result for the financial period

DCD Media Plc has taken advantage of section 408 Companies Act 2006 and has not included its own income statement in these financial statements. The Company's loss for the period after tax was £21,000 (12 months to December 2018: £218,000). The result for the period includes £25,000 for the audit of the Company as parent of the DCD Media Plc group (December 2018: £25,000).

3 Intangible assets

	Programme Rights £'000
Cost	
At 1 January 2019	**6,069**
At 31 March 2020	**6,069**
Amortisation and impairment	
At 1 January 2019	**6,069**
At 31 March 2020	**6,069**
Net book value	
At 31 March 2020	**-**
At 31 December 2018	-

4 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2019	25,294
Disposals	(67)
At 31 March 2020	**25,227**
Accumulated amortisation	
At 1 January 2019	23,619
At 31 March 2020	**23,619**
Net book value	
At 31 March 2020	**1,608**
At 31 December 2018	1,675

All shares held in subsidiary undertakings are ordinary shares with full voting, dividend and distribution rights.

The principal operating subsidiary companies are listed below. All are 100% owned:

Company name	Place of incorporation	Principal activity	Net assets £'000	Profit/(loss) for year £'000
DCD Rights Ltd	England & Wales	Distribution of programme rights	(1,559)	(629)
September Films Ltd	England & Wales	Production of programmes for television	1,074	350
Rize Television Ltd	England & Wales	Production of programmes for television	220	(41)

All companies within the group have their registered office at 9th Floor, Winchester House, 259 - 269 Old Marylebone Road, London, NW1 5RA.

DCD Rights Ltd sells programme rights worldwide to all media.

September Films Ltd and Rize Television Ltd are involved with the production of programmes for television and other media.

All the subsidiary companies are registered in England and Wales.

5 Trade and other receivables

Non-current assets	31 March 2020 £'000	31 December 2018 £'000
Other debtors	**18**	**46**

Current assets	31 March 2020 £'000	31 December 2018 £'000
Amounts owed by group undertakings	1,441	1,441
VAT recoverable	6	11
Other debtors	34	20
Prepayments and accrued income	15	25
	1,496	**1,497**

6 Creditors: amounts falling due within one year

	31 March 2020 £'000	31 December 2018 £'000
Trade creditors	2	-
Amounts owed to group undertakings	1,437	1,014
Amounts due to related parties	8	508
Accruals and deferred income	58	58
	1,505	**1,580**

7 Share capital

See note 19 to the consolidated financial statements.

8 Financial instruments

	31 March 2020 £'000	31 December 2018 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,510	1,543
	1,510	**1,543**
Financial liabilities		
Financial liabilities measured at amortised cost	1,505	1,580
	1,505	**1,580**

Financial assets measured at amortised cost include trade and other debtors, recoverable VAT, prepayments and accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost include trade and other creditors, amounts owed to group undertakings and related parties, accruals and deferred income and convertible debt.

9 Pension costs

During the period the Company made no contributions towards a personal pension scheme (12 months to 31 December 2018: £Nil).

10 Transactions with Directors and other related parties

During the period, the following amounts were charged by companies in which the Directors have an interest:

		Amount charged		
Company	**Director**	**15 months to 31 March 2020 £'000**	**12 months to December 2018 £'000**	**Description**
Timeweave Ltd	D Craven	-	108	Provision of director, finance and management services
Ultimate Finance Group	N McMyn	31	17	Provision of director, finance and management services

At 31 March 2020, £Nil was due to Timeweave Ltd (2018: £508,838) and £7,500 was due to Ultimate Finance Group Ltd (2018: due from UFG £20,256).

The company has taken advantage of the exemptions available under FRS 102 not to disclose any transactions or balances with entities that are 100% controlled by DCD Media Plc.

11 Ultimate parent company and ultimate controlling party

The immediate parent company is Timeweave Ltd, registered in England and Wales. The smallest and largest group that consolidates the results of the Company is Mayfair Capital Investments UK Ltd, registered in Scotland. The results of Mayfair Capital Investments UK Ltd can be obtained from Companies House website at www.companieshouse.gov.uk .

The Directors consider the family interests of Mr Joe Lewis to have ultimate control by virtue of their indirect beneficial ownership of the issued share capital of Mayfair Capital Investments Ltd, a company incorporated in the Bahamas. The Directors consider Mayfair Capital Investments Ltd to be the ultimate parent company.

Corporate information

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