

DCD MEDIA PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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DCD Media Plc

("DCD Media" or the "Company")

Audited results for the year ended 31 March 2021

DCD Media and its subsidiaries, the independent TV distribution and production group (the "Group"), today report results for the year ended 31 March 2021.

Financial Summary

• Revenue	£11.33m (2020: £10.93m)
• Gross profit	£2.16m (2020: £2.05m)
• Operating profit	£0.50m (2020: loss of £0.15m)
• Adjusted EBITDA	£0.62m (2020: £0.40m)
• Adjusted profit before tax	£0.45m (2020: £0.18m)
• Net cash	£4.15m (2020: £2.74m)

Please refer to the table within the Performance section within the Group Strategic Report for an explanation of the profit adjustments. The comparative numbers above are all for the 15 month period ending 31 March 2020.

Business highlights

- DCD Rights announced the start of production of the new ten-part season of **My Life Is Murder**. DCD Rights raised international production funding to greenlight the second run in conjunction with partners BCD, Acorn TV, TVNZ, and Network 10. The series is produced by Greenstone TV and Distributed by DCD Rights.
- Season 7 part two of **Penn & Teller: Fool Us in Vegas** went into production and was transmitted in March 2021. The highly successful series is a co-production between 1/17 Productions and September Films for The CW Network in the USA and delivered a total of 26 hours in the year.
- DCD Rights acquired distribution rights to a new series of successful period drama franchise, **The Frankie Drake Mysteries**, as well as the three previous series, bringing the Group's drama catalogue to over 600 hours of quality scripted series, in addition to the extensive factual catalogue.
- DCD Rights also acquired the third and final series of acclaimed drama **Jack Irish**, starring Guy Pearce, as well as the three **Jack Irish** telemovies, bringing together the entire franchise into one portfolio.
- The ten-part true crime series, **The Lady Killers**, was awarded a *Royal Television Society Midlands Award for Factual & Specialist Factual Series*. The show was produced by First Look TV for DCD Rights and Quest Red.
- Substantial sales were announced by DCD Rights across the new slate of history and wildlife programming, with highlights being sales to UK TV's Yesterday Channel for **Living with Hitler**, alongside sales to eleven further markets.
- The second season of DCD Rights partnered series, **Disasters Engineered**, was premiered on Discovery Science Channel US in Q3 of 2020 and subsequently nominated for a second time for a *Daytime Emmy Award*.

Overview

DCD Media reports a very strong performance in the period delivering both record sales turnover of £11.33m (2020: £10.93m) and a highly creditable bottom-line performance with an adjusted profit before tax of £0.45m (2020: £0.18m). The Group has navigated the challenges presented by the Covid-19 pandemic and has found itself well positioned to capitalise on certain opportunities presented by the pandemic.

Essentially, the short-term shift in consumer TV content demand as a result of global lockdowns coupled with the cessation of many active and planned TV productions has increased demand for content libraries and quality catalogues such as DCD Rights' licenced and owned IP.

The team has clearly responded exceptionally well to the challenges in the period and in essence, has exploited the market shift to create a more resilient business. As in previous years, the strategic positioning to build sustainable high-profile drama content offerings has enhanced the value of the catalogue and raised the profile of the business in the marketplace.

The performance is notable given the turbulence over the last 18 months and the wider challenges facing the industry. From the outset of the pandemic, our principal focus has been on working closely with producers and distribution customers, effectively managing cash flow and remotely managing the operational delivery, providing a strong platform from which to capitalise as restrictions ease. We believe there are significant growth opportunities for the Group as and when the UK emerges from the shadow of the recent lockdowns and Covid-19 restrictions.

While Covid-19 has certainly put a production hold on hundreds of scripted and unscripted entertainment productions that are expected to air this year, the pivoting of productions saw broadcasters acquiring more catalogue content. The strong focus on rights sales for library content will, we believe, continue until social distancing measures are globally reduced and 'fresh' content continues to rise.

Reported Group revenue for the year to March 2021 was £11.33m compared to £10.93m for the fifteen month period to March 2020. Gross profit was very strong at £2.16m for the year compared to £2.05m for the fifteen months to March 2020. The business also performed well at the operating profit level with a reported profit of £0.50m (2020: loss of £0.15m).

Adjusted EBITDA for the period was £0.62m (2020: £0.40m). Net cash for the period was £4.15m (2020: £2.74m).

The strength of the DCD Rights performance again lies in its key drama genre offering and this continues to be a standout characteristic of the business. In the year, DCD Rights announced the start of production of the new ten-part series of **My Life Is Murder**, the second run of this major drama, produced by Greenstone TV and co-produced by DCD Rights in conjunction with Acorn TV, TVNZ, and Network 10.

The Secrets She Keeps, starring Laura Carmichael, premiered in the UK in a high-profile BBC One slot, and remained in the top ten iPlayer shows for the year, and has previously sold to multiple territories, but made further sales to CBC Canada as well as Talpa Netherlands and SBS Belgium in the year.

The acquisition team acquired distribution rights to a new series of successful period drama franchise, **The Frankie Drake Mysteries**, as well as the three previous series, bringing the DCD drama catalogue to over 600 hours of high quality scripted series, in addition to the extensive factual catalogue. And the team were also delighted to acquire the third and final series of **Jack Irish** starring Guy Pearce, as well as the three **Jack Irish** telemovies, bringing together the entire franchise into one portfolio.

Other notable achievements include news that ten-part true crime series **The Lady Killers** was awarded a *Royal Television Society Midlands Award for Factual and Specialist Factual Series*. The show was produced by First Look TV.

Substantial sales were announced by DCD Rights across the new slate of history and wildlife programming, with highlights being sales to UK TV's Yesterday Channel for **Living with Hitler**, alongside sales to eleven further markets.

The second season of DCD partnered series, **Disasters Engineered**, premiered on Discovery Science Channel US in Q3 of 2020 and subsequently nominated for a second time for a *Daytime Emmy Award*.

The DCD Rights team have, despite the obvious disruption from Covid-19, 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.

The business maintained its relationship with its funding partner, to continue its investment commitment in programming acquisitions in the DCD Rights catalogue during the period. Financial commitments of over £3.6m were made in the period, in respect of programming with gross values of £8.9m over their lifetime. The catalogue now totals over 3,300 hours of high-quality drama, factual and entertainment programming.

Another noteworthy achievement in the year included news that Season 7 part two of **Penn & Teller: Fool Us in Vegas**, went into production and was transmitted in March 2021. The highly successful series is a co-production between 1/17 Productions and September Films for The CW Network in the USA and delivered a total of 26 hours in the year.

Elsewhere in the business, DCD Rights' factual documentary slate performed well, particularly with a new series of **Secret Nazi Bases 2** which was licenced by Discovery, A&E and Viasat multinationals. DCD Rights also launched a new slate of history programming from Wild Bear Films at MIPCOM, led by **Living with Hitler** that sold quickly to YLE Finland, UK TV Yesterday Channel, and RTL Germany.

Royal programming was a new strand to the catalogue during the year, launching **The Palace and the Press**, as well as **The Real Prince Phillip: An Officer and a Prince** selling to both Channel 4 and American Public TV, providing a fitting epitaph in a programme approved by the Royal Forces.

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.

Outlook and Covid-19

Although the vast majority of the year was characterised by a very challenging regime of enforced lockdowns and remote working, we are pleased to report that, notwithstanding this challenging business backdrop, trading for the year was particularly strong. This has resulted in an outstanding financial performance generating £504k of operational profit and adjusted EBITDA of £623k.

The pandemic has undoubtedly changed the TV distribution and production business. The spread of Covid-19 has boosted digital media consumption as consumers spend more time at home and communicate in person less. Where digital was progressing against traditional broadcast platforms, digital media consumption is now increasing rapidly, across social media and over-the-top video.

This creates significant challenges for distribution businesses although DCD is responding well to the shift towards digital consumption by collaborating with more OTT content platforms to exploit the range of catalogue content.

And the DCD Rights team are resilient and experienced in managing their catalogue acquisitions to ensure these meet the appetite and expectations of our long-established network of content buyers both in traditional broadcast platforms and digital distribution.

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 2020/21 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 continue to impact the production business for the remainder of 2021 and beyond.

David Craven, Executive Chairman and Chief Executive Officer, commented: “This financial performance in the year is the result of an outstanding performance by all members of the DCD Rights team. We are very aware of the challenges our team have faced during the past year and are proud of their collective response and the first-rate level of staff engagement through the crisis, which has resulted in a significant increase in turnover and profit.

“Many of the team continue to work remotely but they have been efficient, effective and focused on a strong sales performance for the business.

“We are obviously delighted with the overall performance of the business across the period, a number of factors are worthy of note. The team were delighted to the start of production of the new ten-part season of **My Life Is Murder** which is proving to be a highly successful drama. Also notable was the premier in the UK of **The Secrets She Keeps** starring Laura Carmichael. It was aired in a high-profile BBC One slot and was hugely popular and well-received during lockdown.

“Another noteworthy achievement in the year included news that Season 7 part two of **Penn & Teller: Fool Us in Vegas**, went into production and was transmitted in March 2021. The series delivered a total of 26 hours in the year.

“As we continue to make progress on our growth curve, increasing the catalogue and footprint of the business, the Board can reflect that various existing sales negotiations for 2021 look promising. As ever, obtaining full commitment remains the perennial challenge for the sales team particularly in the context of the ongoing pandemic.

“Although there have been unprecedented business challenges in the last period, the Board is very confident that, as the restrictions ease, we have continued investment in the catalogue and implemented the correct business continuity measures to enable the Group to capitalise on the momentum we had generated before this global crisis and are poised to take advantage of the exciting growth opportunities which lie ahead.

“In addition to ensuring our continued financial discipline we remain committed to safeguarding our employee health and well-being whilst supporting our customers.”

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Executive Chairman's review

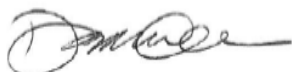
Revenue has grown in 2021 from 2020, and this is despite the prior period being for fifteen months rather than the year reported in this financial report, which is an excellent result for the Group. The Adjusted profit before tax for the year was £0.45m which is up from 2020 of £0.18m. The DCD Rights team have a number of negotiations in the pipeline that we hope will feed through into further growth in the future.

The team have benefitted from continued support from its funders to allow it to buy quality content and grow its slate. We continue to vest significant time into these relationships as they are vital for keeping the business running smoothly. The positive feedback we have received is testament to the effort and effective communicating being shown by the team in managing these relationships.

Two significant highlights in the year were certainly the airing of **The Secrets She Keeps**, starring Laura Carmichael, on BBC One prime time and the successful production and airing of a two-part series totalling 26 episodes of **Penn & Teller: Fool Us in Vegas**. There were several other highlights as mentioned previously in the report, and all are a result of the hard work being carried out across the business.

As the business continues to go from strength to strength, we realise the need to stay vigilant and manage risks that may arise both internally and externally. I think given the way we have handled ourselves over the past year and throughout the Covid-19 pandemic we have demonstrated how responsive we can be in dealing with significant risk but all while maintaining efficiency across the business.

As always, 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 year and beyond.



D Craven
Executive Chairman and Chief Executive Officer
2 September 2021

Group strategic report

Strategic outlook

In the context of these unprecedented business challenges, the Board is extremely proud of the continued financial discipline that has been adopted and remains confident that the Group will emerge from this global crisis in a strong financial position, enabling the Group to take advantage of the exciting growth opportunities that lie ahead.

What remains unclear though is for the many countries loosening lockdown restrictions, will streaming consumption continue on its upward growth trajectory? The management team feel they can respond well to this market shift and hope to deliver on a number of digital developments next year.

It is important for DCD Media that face-to-face interactions, where high-value discussions are essential, can return as the new normal. The entire industry has temporarily adapted to disruption and go virtual where it can, investing in different content and deploying alternative virtual models and delivery platforms is an effective way.

Despite these 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 also remains a focus for the team and this has only been made more challenging by Covid-19.

We are fortunate to have highly skilled and committed people working with us and consequently we believe we will grow from strength to strength. The Group remains resilient today while preparing for tomorrow.

Review of divisions for the year to 31 March 2021

Rights and Licensing

DCD Rights

Buyer engagement remained steady during Covid-19 global pandemic. The DCD Rights team remained effective by utilising virtual meeting rooms to replace face-to-face meetings, in light of all physical trade markets having been cancelled. The marketing team set up a new launch specific site to enable buyers to view trailers, full shows as well as browse updated virtual catalogues.

Demand for new and finished programming remained high and networks endeavoured to keep schedules fresh and regularly renewed in order to maintain the high lockdown viewing figures. DCD Rights was impacted by a number of series being delayed or even cancelled, but in general, benefitted from a strong catalogue as well as the fact that many of the new series already committed to, were in post-production rather than still to be filmed, and consequently delivered during the year.

The market for co-production grew, with DCD Rights being called upon by both producers and broadcasters to enable cost effective solutions to the demand for tailor made series at a shared cost, and we worked across new drama and factual series to this effect. Notably, both a new ten-part drama series of **My Life is Murder 2**, and **Disasters Engineered 2** were produced and delivered under the pandemic from New Zealand and the USA, with credit due to both production companies.

The drama genre remained the strongest revenue generating area for the business. **The Secrets She Keeps**, starring Laura Carmichael, premiered in the UK in a high profile BBC One slot, and remained in the top 10 iPlayer shows for the year, making further sales to CBC Canada as well as Talpa Netherlands and SBS Belgium. The pre-sales for **My Life is Murder 2** were made during the year and the acquisition of the new **Frankie Drake Mysteries** period drama series and catalogue gleaned early sales to Ovation and PBS in the US, as well as to ViaSat World for Scandinavia. In January, the business launched the third and final series of **Jack Irish** – a thriller series starring Guy Pearce. Presales were made to Acorn TV USA for the series, as well as three Jack Irish movies that were also acquired during the year.

There was a growth in demand for classic drama series from the VOD markets and we responded with the acquisition of **The Indian Doctor** with Sanjeev Bascar, **Run** with Olivia Coleman, and **Thorne** with David Morrissey and Sandra Oh. All three made strong sales in the US, UK and Europe. **Land Girls**, from the Group catalogue, also sold three seasons to PBS Network Digital Division. DCD Rights distributed **Taggart** and **Rebus** also remained popular with VOD buyers.

Format sales provide another source of income from both drama and entertainment series. Australian comedy series **The Moody's** was produced for a second season for Fox Network. September Film's co-production with 1/17 Productions, **Penn and Teller** (for the CW Network US), moved distribution from Network inhouse distribution to DCD Rights during the year, kicked off by a strong sale to ABC Australia for the new season.

In factual entertainment programming, long running popular brands proved most popular with buyers, with the **Aussie Gold Hunters** series being the top seller. Season six delivered during the year, bringing the offering up to 84 hours. Our US **Coast Guard Alaska** franchise of 67 hours also garnered strong repeat licenses across Europe.

DCD Media's new factual documentary slate delivered in the year, led by new series of **Secret Nazi Bases 2** which was picked up quickly by the likes of Discovery, A&E and Viasat multinationals. The business launched a new slate of history programming from Wild Bear Films at MIPCOM, led by **Living with Hitler** that sold promptly to YLE Finland, UK TV Yesterday Channel, and RTL Germany.

Group strategic report (continued)

Royal programming was a new strand to the catalogue during the year, launching **The Palace and the Press**, as well as **The Real Prince Phillip: An Officer and a Prince** selling to both Channel 4 and American Public TV, providing a fitting epitaph in a programme approved by the Royal Forces.

Cookery continued to be a popular genre, and DCD launched a new series with young chef Nisha Katona, **A Taste of Italy**. Multiple sales which proved popular with Fox Channels and Matkalanen across Scandinavia. **James Martin's Islands to Highlands** series transmitted on ITV and remained popular across Europe, with **Ainsley's Food Adventure** selling to Discovery UK.

The catalogue continued to grow and replace older programming with new and fresh content during the year. The high standards of service to our customers, both producers and buyers, has been key in maintaining relationships with clients in unpredictable conditions, and adapting to those conditions effectively and efficiently has allowed revenue to grow.

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 complemented 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 seventh season produced in the US and the eighth 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. Part two of the previous series seven was aired in March 2021 with the current series airing in the Autumn 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 year there was no production activity in Rize and the Directors do not foresee commercial activity in the forthcoming year either.

Performance

At a turnover level, the Group delivered £11.3m in revenue over the year, all from continuing operations compared with £10.9m for the fifteen-month period ending March 2020. The Group has come through the global pandemic admirably and adapted to changing environments across all its markets accordingly. The Board believe the business is in a strong position to take advantage of growth over the coming years and is also in a robust position financially. While the year to March 2021 was unpredictable the team have increased revenue and bottom-line numbers, which is testament to the hard work undertaken. The Group strives to adapt and progress further to return more growth in the coming years for its shareholders.

The Group made an operating profit for the year of £0.50m (2020: loss of £0.15m), 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 year ended 31 March 2021 was a profit of £0.62m (2020: £0.40m), inclusive of £0.29m of foreign exchange losses (2020: £0.19m gain) and depreciation of £0.16m (2020: £0.21m).

Adjusted profit before tax for the Group was £0.45m in 2021 (2020: £0.18m).

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

Group strategic report (continued)

	Year ended 31 March 2021 £m	15 month period ended 31 March 2020 £m
Operating profit/(loss) per statutory accounts	0.50	(0.15)
Add: Depreciation (notes 11 and 12)	0.16	0.21
EBITDA	0.66	0.06
Add: Non-recurring items	(0.04)	0.34
Adjusted EBITDA	0.62	0.40
Less: Net financial expense (note 7)	(0.01)	(0.01)
Less: Depreciation (notes 11 and 12)	(0.16)	(0.21)
Adjusted profit before tax	0.45	0.18

Intangible assets

The Group's intangible asset balance, see note 10, 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 2021 (2020: £Nil). This is in light of the back-end catalogue income expected to be received within the business. In 2020, the carrying value of Rize TV was reduced to £Nil, so no charge was recognised in the current year (2020: £67k).

Trade names

All trade names were fully amortised before the 2018 year and as such no charge was made in the year to 31 March 2021 (2020: £Nil). Trade names were amortised over ten years on a straight-line basis.

Non-recurring items

Non-recurring gains of £0.04m (2020: cost of £0.34m) have been disclosed in the consolidated statement of comprehensive income. These are in relation to one-off write-backs for old creditor balances unclaimed. In the prior year the losses were in relation to non-recurring costs.

Earnings per share

Basic profit per share in the period was 18p (period ended 31 March 2020: loss of 6p) and was calculated on the profit after taxation of £0.47m (period ended 31 March 2020: loss of £0.16m) divided by the weighted average number of shares in issue during the year being 2,541,419 (2020: 2,541,419).

Balance sheet

The Group's net cash balance has increased to £4.1m at 31 March 2021 from £2.7m at 31 March 2020. 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.

Group strategic report (continued)

Shareholders' equity

Retained earnings as at 31 March 2021 was a deficit of £60.5m (2020: £61.0m) and total shareholders' equity at that date was £2.9m (2020: £2.4m).

Current trading

As mentioned in the strategic report, the ongoing global Covid-19 crisis has led to widespread uncertainty and impacted production with the need to plan for frequent changes and delays delivery in and of new programming 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 17 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.

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 principal funder, 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 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)

	12 months to 31 March 2021 £m	15 months to 31 March 2020 £m
Revenue	11.33	10.93
Operating profit/(loss) from operations	0.50	(0.15)
Adjusted EBITDA	0.62	0.40
Adjusted profit before tax	0.45	0.18

The Board does not regularly review any non-financial KPIs or consider these to be key indicators for the business performance. Indicators such as hours of new content acquired are considered supportive of the financial indicators.

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.

Group strategic report (continued)

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 partner 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 £4.1m (2020: £2.7m) including certain production related cash held to maintain the Group policy. The Group does not currently have any outstanding debt (2020: £Nil). Details of interest payable, funding and risk mitigation are disclosed in notes 7, 16 and 17 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.

Brexit

The Group's multinational channel customers have been impacted by Brexit with the need to develop local production hubs and offices, but the current slate of programming remains in demand across Europe and continues to trade under the ECTT Rules. Management remains vigilant as this comes up in discussions at the EU.

Covid-19

As noted in the outlook on page 3, whilst the pandemic has undoubtedly changed the TV distribution and production business, the spread of Covid-19 has boosted digital media consumption as consumers spend more time at home and communicate in person less. Whilst the pandemic creates significant challenges for distribution businesses, the Group is responding well to the shift towards digital consumption by collaborating with more OTT content platforms to exploit the range of catalogue content. Management remain vigilant to the ongoing developments of Covid-19 and its impact on the TV distribution and production business.

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 interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and other;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Directors are briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser.

The following paragraphs summarise how the Director's fulfil their duties:

Risk Management

As a relatively small business we are able to identify, evaluate, manage and mitigate risks that we face efficiently. With Directors who are integrated into the operations of the business on a daily basis we can be pro-active and agile in making our assessments of risk and have important decision makers input in a timely manner.

The Board members are given access to management papers which set out the potential outcome of decisions. Regular discussions between the Board and management are held on financial and non-financial decision consequences which can be undertaken quickly and allow for decisions to be implemented and actioned as necessary.

Our People

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors communities and society as a whole. People are at the heart of our business from the tremendous staff we have within, to the clients we engage with all over the world, and to all other stakeholders who are affected by the work we undertake. In order to succeed we need dedicated and motivated staff and in return we need to provide them with the right environment to succeed and develop personally in their career. We must also share common values and objectives in order for the business to thrive. 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.

Business Relationships

Our strategy prioritises building long-term relationships with both suppliers of content and our media outlets, in building trust between parties so that the Company continues to be a highly respected rights and licencing business in the industry. The directors and staff understand how important these relationships are to the long-term success of the business and as such make every effort to do what they can for all stakeholders across the business. The Company also embraces new

Group strategic report (continued)

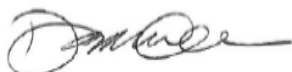
introductions from a supply and sales side and will give every proposal or opportunity the attention it deserves in order to grow new relationships too.

Community and environment

The Company aims to create positive change within the communities and environments it interacts with and is part of. We promote our staff to be involved and promote the communities around us. Corporate Social Responsibility (CSR) is important to the Company and the Board understands its importance in recognising this across the business. More information on CSR and how the Company adopts this can be found on the Company's website under Corporate Governance.

Shareholders

The Board is committed to openly engaging with our shareholders, as we recognise the importance of a continuing and effective dialogue, whether with our two largest shareholders who hold more than 97% of the issued share capital, or with our smaller private shareholders alike. It is important that our shareholders understand our strategy, share in our successes and understand how the business is doing financially. We listen to any feedback provided by any shareholder in equal measure and make decisions taking these views into account.



D Craven
Executive Chairman and Chief Executive Officer

2 September 2021

Group report of the Directors for the year ended 31 March 2021

The Directors present their report together with the audited financial statements for the year ended 31 March 2021.

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 5 to 10, which should be read in conjunction with this report.

Results

The Group's profit before taxation for the year ended 31 March 2021 was £0.50m (2020: loss of £0.16m). The result for the period post-taxation was £0.47m (2020: loss of £0.16m) and has been carried forward in reserves.

The Directors do not propose to recommend the payment of a dividend (2020: £Nil).

Directors and their interests

	At 31 March 2021		At 31 March 2020	
	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 year Mr Rohan was appointed as a Non-Executive Director to replace Mr Lindley. Biographies of the Company's directors can be found on page 16.

Other than as disclosed in note 20 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 1 September 2021, of the following material interests in the voting rights of the Company under the provisions of the Disclosure Guidance and Transparency Rules:

<u>Name</u>	<u>No. of £1 ordinary shares</u>	<u>%</u>
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 18 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 year ended 31 March 2021

Financial instruments

Details of the use of financial instruments by the Company are contained in note 17 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 ("UK Corporate Governance 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.

Group report of the Directors for the year ended 31 March 2021

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. The Board met formally once during the year, which all directors attended. In addition, there were several informal Board meetings and weekly executive meetings.

Audit Committee

During the financial year under review, the members of the Audit Committee were Neil McMyn (Chairman) and Andrew Lindley. Andrew Lindley resigned during the year on 13 August 2020. He was replaced by Jean-Paul Rohan on 27 August 2020 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 year under review, the members of the Remuneration Committee were Neil McMyn (Chairman) and Andrew Lindley. Andrew Lindley resigned during the year on 13 August 2020. He was replaced by Jean-Paul Rohan on 27 August 2020 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 at the AGM.

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.

Group report of the Directors for the year ended 31 March 2021

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. See note 17 to the consolidated financial statements for further reference.

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 18 to the consolidated financial statements.

Resolutions at the Annual General Meeting

The Company's AGM will be held on Thursday 30 September 2021. 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.

Group report of the Directors for the year ended 31 March 2021

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 (2020: £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 30 September 2021.

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 2 September 2021 and signed on its behalf by:



D Craven
Executive Chairman and Chief Executive Officer
2 September 2021

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. 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. David's time commitment on DCD Media is around 25%.

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 and drama series where DCD Rights are co-production partners. Nicky's time commitment on DCD Media is 100%.

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 is also Chief Financial Officer of Ultimate Finance Group and director of Timeweave Ltd. He became a Non-Executive Director of DCD Media in September 2012. Neil's time commitment on DCD Media is around one day a month.

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. Jean-Paul's time commitment on DCD Media is around one day a month.

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 year ended 31 March 2021 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 2021 and of the Group's result for the year then ended;
- the Group 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 Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the 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.

Components of the group subject to full scope audits account for 100% of group turnover and 92% of group assets.

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included the following procedures.

The going concern assessment period used by the directors was at least twelve months from the date of the approval of the financial statements. We assessed the appropriateness of the approach, assumptions made and the clerical accuracy of the forecasts used by the Directors when performing their going concern assessment.

We evaluated the Directors' assessment of the Group's and parent company's ability to continue as a going concern, which included challenging the underlying data and main assumptions used as part of this assessment. We also considered the sensitivity analysis undertaken as part of the Directors' going concern assessment.

We considered and assessed the appropriateness of the disclosures made in the financial statements in relation to going concern.

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

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

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

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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 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.

The key audit matter identified in respect of the Group financial statements was revenue recognition. The key audit matters identified in respect of the parent company financial statements were the carrying value of investments in subsidiaries and recoverability of intercompany receivables. This is not a complete list of all risks identified by our audit.

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

We reviewed the revenue recognition policy adopted by management to ensure that it was in line with the appropriate accounting standards and consistent with previous periods. We gained an understanding of the revenue recognition process and confirmed this through walkthroughs. We performed substantive testing on a sample of sales transactions to verify the occurrence and valuation of revenue, including reviewing contracts to ensure that revenue was recognised in the correct period.

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.

Carrying value of investments in subsidiary companies

The parent company holds investments in other group companies that are stated at cost less any provision for impairment within fixed assets. Management consider the carrying value of the investments at each year end, taking into consideration the financial position of the relevant companies at the year end together with forecasts of future cash flows.

Our response

We reviewed the policy in respect of the measurement of the carrying value of investments in subsidiary companies. We considered and challenged management's assessment of carrying value based on the position at the year end and the assumptions made in forecasting future cash flows. We reviewed the conclusions on the carrying value of investments at the year end.

Based on the audit work undertaken, our understanding of the accounting policy and the assumptions made by management in determining the adequacy of provisions for impairment, the carrying value of investments is appropriate.

Recoverability of intercompany debtors

The parent company has intercompany debtors. Management consider the recoverability of the intercompany debtors based on the financial position of the relevant company at the year end, together with forecasts of future cash flows and determines whether the carrying value is appropriate.

Our response

We reviewed the policy in respect of the assessment of impairment provisions for intercompany debtor balances, reviewed and challenged management's assessment of the carrying value based on the position at the year end and the assumptions made in forecasting future cash flows. We reviewed and considered the adequacy of any provisions made for irrecoverable balances.

Based on our audit work, the carrying value of intercompany debtors is appropriate.

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 £169,908 (2020 - £129,569). We calculated this using 1.5% of revenue (2020 – 1.5% of revenue, pro-rated for 12 months).
- For the parent company financial statements, overall materiality was £113,571 (2020 - £103,097). We calculated this using 2% of total assets.

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

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 £12,372 and £169,908. 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 £8,495 (Group audit) (2020 - £6,478) £5,679 (parent company audit) (2020 - £5,155) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Other information

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and 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.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's voluntary compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 8;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate, set out on page 3;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities, set out on page 8;
- Directors' statement on fair, balanced and understandable, set out on pages 12 to 14;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 8;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 14; and
- Section describing the work of the audit committee, set out on page 13.

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement on page 14, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the group's industry and sector, control environment, business performance and management incentives;
- the results of our specific enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the potential opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas detailed within Key Audit Matters. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and

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

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Whilst the procedures above describe the extent to which our procedures are capable of detecting irregularities, including fraud, there are inherent limitations in these audit procedures. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, misrepresentation or through collusion. We are not responsible for preventing irregularities, including fraud, or non-compliance with laws and regulations and cannot be expected to detect all irregularities or non-compliance with all laws and regulations.

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 auditors' 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 all subsequent financial periods, including the year ended 31 March 2021. SRLV Audit Limited is associated with the previous auditor, SRLV and therefore the total uninterrupted period of engagement is nine years, covering the periods ending 31 December 2012 to 31 March 2021.

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.

SRLV Audit Limited

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
2 September 2021

Consolidated income statement for the year ended 31 March 2021

	Note	Year to 31 March 2021 £'000	15 months to 31 March 2020 £'000
Revenue	4	11,327	10,934
Cost of sales		(9,163)	(8,882)
Gross profit		2,164	2,052
Administrative expenses:			
- Other administrative expenses		(1,660)	(2,198)
Operating profit/(loss)		504	(146)
Finance cost	7	(8)	(10)
Profit/(loss) before taxation		496	(156)
Taxation	8	(27)	-
Profit/(loss) for the financial year/period		469	(156)
Profit/(loss) attributable to:			
Owners of the parent		469	(156)
		469	(156)
Earnings per share attributable to the equity holders of the Company during the year (expressed as pence per share)			
Total basic earnings/(loss) per share	9	18	(6p)
Total diluted earnings/(loss) per share	9	18	(6p)

The notes on pages 27 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the year ended 31 March 2021

	Year to 31 March 2021 £'000	15 months to 31 March 2020 £'000
Profit/(loss) for the financial year	469	(156)
Total comprehensive income	469	(156)
Total comprehensive income attributable to:		
Owners of the parent	469	(156)
	469	(156)

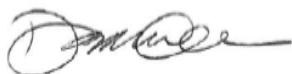
Consolidated statement of financial position as at 31 March 2021

Company number 03393610

	Note	As at 31 March 2021 £'000	As at 31 March 2020 £'000 (as restated)
Non-current assets			
Goodwill	10	1,017	1,017
Property, plant and equipment	11	14	19
Right of use assets	12	26	144
Trade and other receivables	13	238	379
		1,295	1,559
Current assets			
Trade and other receivables	13	6,617	8,137
Cash and cash equivalents	22	4,146	2,735
		10,763	10,872
Total assets		12,058	12,431
Current liabilities			
Trade and other payables	14	(9,060)	(9,802)
Lease liabilities	14,15	(23)	(146)
Taxation and social security	14	(59)	(36)
		(9,142)	(9,984)
Total liabilities		(9,142)	(9,984)
Net assets		2,916	2,447
Equity			
Equity attributable to owners of the parent			
Share capital	18	12,272	12,272
Share premium account	18	51,215	51,215
Own shares held		(37)	(37)
Retained earnings		(60,534)	(61,003)
Equity attributable to owners of the parent		2,916	2,447
Total equity		2,916	2,447

The notes on pages 27 to 51 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 2 September 2021.



D Craven
Director

Consolidated statement of cash flows for the year ended 31 March 2021

		12 months to 31 March 2021 £'000	15 months to 31 March 2020 £'000
Cash flow from operating activities			
Net profit/(loss) before taxation		496	(156)
Adjustments for:			
Depreciation of tangible assets	11	161	208
Net bank and other interest charges	7	8	10
Foreign exchange loss / (gain)		42	(9)
Net cash flows before changes in working capital		707	53
Decrease in trade and other receivables	13	1,434	881
Decrease in trade and other payables	14	(560)	(267)
Cash from operations		1,581	667
Interest paid		(8)	(10)
Net cash flows from operating activities		1,573	657
Investing activities			
Purchase of property, plant and equipment	11	(7)	(20)
Net cash flows used in investing activities		(7)	(20)
Financing activities			
Repayment of finance leases		(155)	(178)
Net cash flows from financing activities		(155)	(178)
Net increase in cash		1,411	459
Cash and cash equivalents at beginning of period		2,735	2,276
Cash and cash equivalents at end of period	22	4,146	2,735

The notes on pages 27 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 March 2021

	Share capital £'000	Share premium £'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 2018 (as previously reported)	12,272	51,215	-	(37)	(60,591)	2,859	-	2,859
Prior period adjustment (note 1)	-	-	-	-	(256)	(256)	-	(256)
Balance at 31 December 2018 (as restated)	12,272	51,215	-	(37)	(60,847)	2,603	-	2,603
Loss and total comprehensive income for the period	-	-	-	-	(156)	(156)	-	(156)
Balance at 31 March 2020	12,272	51,215	-	(37)	(61,003)	2,447	-	2,447
Profit and total comprehensive income for the year	-	-	-	-	469	469	-	469
Balance at 31 March 2021	12,272	51,215	-	(37)	(60,534)	2,916	-	2,916

Notes to the consolidated financial statements for the year ended 31 March 2021

During the year, 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 Broadgate Tower, 20 Primrose Street, London EC2A 2EW, 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 2021. The comparatives cover the fifteen month period to 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 17 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 with other activities funded from a combination of equity and short and medium-term debt instruments.

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 April 2020. These have been reviewed and no adjustments deemed necessary. Those becoming effective from 1 April 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 year ended 31 March 2021 (continued)

1 Principal accounting policies (continued)

IFRS 16

In the prior period the company adopted IFRS 16 Leases, requiring companies to recognise assets and liabilities of leases on the balance sheet accordingly. The group has applied IFRS 16 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 IFRS 16, the Group recognised an additional £323,877 right of use asset and £323,877 of lease liabilities in respect of a property lease. This lease expired on 31 March 2021 and during the year, the Group entered into lease for two company motor vehicles.

When measuring these lease liabilities, the company discounted lease payments using its incremental borrowing rate at 1 April 2020. The borrowing rate applied is 4%.

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 12 Income Taxes	Amendment for Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	May-21	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 7	Amended by Interest Rate Benchmark Reform — Phase 2	Aug-20	Jan-21
IFRS 9 Financial Instruments	Amendments resulting from Annual Improvements to IFRS Standards 2018–2020	May-20	Jan-22
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	Mar-21	Apr-21
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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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 2021. 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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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. The property lease in place expired on 31 March 2021 and was not renewed. The Group is now renting short term serviced offices. During the year, the Group entered into leases for two company motor vehicles.

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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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 facility available to the business.

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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

1 Principal accounting policies (continued)

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

1 Principal accounting policies (continued)

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.

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.

Prior period adjustment

The Directors have identified that the balance for accruals included within trade and other payables in previous periods was misstated. Comparative figures have been restated accordingly. The effect of the adjustment on the consolidated financial statements is to increase accruals by £255,773 and to decrease retained earnings brought forward by the same amount. There has been no effect on the parent company position.

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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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 10.

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 10.

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 and motor vehicle leases that make up substantially all of the Group's lease portfolio during the year, this results in 2 approaches. For 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 year ended 31 March 2021 (continued)

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 on 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:

2021 Segmental analysis – income statement

	Production	Rights and Licensing	Other	Total 2021
	£'000	£'000	£'000	£'000
Total revenue	634	10,825	44	11,503
Inter-segmental revenue	(132)	-	(44)	(176)
Total revenue from external customers	502	10,825	-	11,327
Group's revenue per consolidated statement of comprehensive income	502	10,825	-	11,327
Operating profit/(loss) before interest and tax	602	(113)	15	504
Depreciation	-	161	-	161
Segmental EBITDA	602	48	15	665
Net finance expense	-	(8)	-	(8)
Depreciation	-	(161)	-	(161)
Non-recurring items	(43)	-	-	(43)
Segmental adjusted profit/(loss) before tax	559	(121)	15	453

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

3 Segment information (continued)

2021 Segmental analysis – financial position

	Production	Rights and Licensing	Other	Total 2021
	£'000	£'000	£'000	£'000
Non-current assets	-	278	-	278
Reportable segment assets	596	10,055	112	10,763
Goodwill	393	624	-	1,017
Total Group assets	989	10,957	112	12,058
Reportable segment liabilities	(27)	(9,045)	(70)	(9,142)
Total Group liabilities	(27)	(9,045)	(70)	(9,142)

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	309	(501)	46	(146)
Depreciation	-	208	-	208
Segmental EBITDA	309	(293)	46	62
Net finance (expense)/income	-	(10)	-	(10)
Depreciation	-	(208)	-	(208)
Non-recurring items	31	313	-	344
Segmental adjusted profit/(loss) before tax	340	(198)	46	188

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

3 Segment information (continued)

2020 Segmental analysis – financial position (as restated)

	Production	Rights and Licensing	Other	Total 2020
	£'000	£'000	£'000	£'000
Non-current assets	-	542	-	542
Reportable segment assets	117	10,637	118	10,872
Goodwill	393	624	-	1,017
Total Group assets	510	11,803	118	12,431
Reportable segment liabilities	(45)	(9,871)	(68)	(9,984)
Total Group liabilities	(45)	(9,871)	(68)	(9,984)

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:

	Year ended 31 March 2021 £'000	15 months to 31 December 2020 £'000
United Kingdom	745	1,529
Rest of Europe	1,374	2,234
North and South America, including Canada	2,806	3,452
Rest of the World	6,402	3,719
	11,327	10,934

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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

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 2021 £'000	31 March 2020 £'000
Contract assets (accrued income)	1,670	1,421
Contract liabilities (deferred income)	-	-
	1,670	1,421

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

	Contract assets £'000
At 1 April 2020	1,421
Transfers in the period from contract assets to trade receivables	(1,421)
Excess of revenue recognised over cash (or rights to cash)	1,670
At 31 March 2021	1,670

	Contract liabilities £'000
At 1 April 2020	-
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 2021	-

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

	Year ended 31 March 2021 £'000	15 months to 31 March 2020 £'000
Auditor's remuneration:		
Fees payable to the Company's auditor:		
For the audit of the Company's annual accounts	25	30
For the audit of other Group companies	13	19
Operating lease rentals:		
Property	4	-
(Loss)/gain on foreign exchange fluctuations	(292)	37
Depreciation, amortisation and impairment:		
Property, plant and equipment (note 11)	11	28
Right-of-use assets (note 12)	149	180
Staff costs (note 6)	1,048	1,379

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

6 Directors and employees

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

	Year ended 31 March 2021 £'000	15 months to 31 March 2020 £'000
Wages and salaries	925	1,192
Social security costs	103	143
Other pension costs (note 21)	20	28
Redundancy costs	-	16
	1,048	1,379

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

	Year ended 31 March 2021 No.	15 months to 31 March 2020 No.
Sales and distribution	10	9
Directors and administration	8	8
	18	17

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	Year to 31 March 2021 Total £'000
D Craven	100	-	-	100
N Davies Williams	160	5	17	182
N McMyn	9	-	-	9
A Lindley	2	-	-	2
J P Rohan	1	-	-	1
	272	5	17	294

	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

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 2021 was 3,218 (31 March 2020: 3,218).

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

7 Finance costs

	Year ended 31 March 2021 £'000	15 months to 31 March 2020 £'000
Interest charged on operating leases	7	13
Other interest charges/(income)	1	(3)
	8	10

8 Taxation on ordinary activities

Recognised in the statement of comprehensive income:

	Year ended 31 March 2021 £'000	15 months to 31 March 2020 £'000
Current tax expense:		
UK corporation tax	27	-
Total tax charge in statement of comprehensive income	27	-

	Year ended 31 March 2021 £'000	15 months to 31 March 2020 £'000
Tax charge represents:		
Profit/(loss) on ordinary activities	496	(156)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	94	(29)
Effects of:		
Expenses not deductible for tax purposes (amortisation and impairment of intangibles)	1	36
Depreciation in excess of capital allowances	1	25
Brought forward losses utilised	(69)	(32)
Total tax charge	27	-

A deferred tax asset of approximately £2.1m (2020: £2.2m) 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 2021 tax rate of 19% (2020: 19%).

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

9 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.

	Profit £'000	Weighted average number of shares	2021 Per share amount pence	Loss £'000	Weighted average number of shares	2020 Per share amount pence
Basic and diluted profit/(loss) per share						
Profit/(loss) attributable to ordinary shareholders	469	2,541,419	18	(156)	2,541,419	(6)

10 Goodwill and intangible assets

	Goodwill £'000	Trade Names £'000	Programme Rights £'000	Total £'000
Cost				
At 1 January 2019	17,388	8,036	36,946	62,370
At 31 March 2020	17,388	8,036	36,946	62,370
At 1 April 2020	17,388	8,036	36,946	62,370
At 31 March 2021	17,388	8,036	36,946	62,370
Amortisation and impairment				
At 1 January 2019	16,371	8,036	36,946	61,353
At 31 March 2020	16,371	8,036	36,946	61,353
At 31 March 2021	16,371	8,036	36,946	61,353
Net book value				
At 31 March 2021	1,017	-	-	1,017
At 31 March 2020	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 2021 £'000	31 March 2020 £'000
Cash generating units (CGU):			
DCD Rights Ltd	Rights and Licensing	624	624
September Films Ltd	Production	393	393
		1,017	1,017

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

10 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 2023. The forecasts are then extrapolated for a further five years using models that estimate the distribution income profile of the CGU'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 year or the period to 31 March 2020.

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 4.0% for all CGUs. If the discount rates used were increased by 3% to 7.0%, the carrying value of goodwill would still not be impaired.

	Discount factor	
	31 March 2021 %	31 March 2020 %
Cash generating units (CGU):		
DCD Rights Ltd	4.0	5.0
September Films Ltd	4.0	5.0

Programme rights

Any programme rights held were fully impaired as at the end of 31 March 2020 and nothing has been added in the year to 31 March 2021, so no impairment charge has been recognised in the year.

11 Property, plant and equipment

	Office and technical equipment £'000
Cost	
At 1 January 2019	127
Additions	20
At 31 March 2020	147
At 1 April 2020	147
Additions	7
Disposals	(13)
At 31 March 2021	141
Depreciation	
At 1 January 2019	100
Provided in period	28
At 31 March 2020	128
At 1 April 2020	128
Disposals	(13)
Provided in year	12
At 31 March 2021	127
Net book value	
At 31 March 2021	14
At 31 March 2020	19

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

12 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 2021 is as follows:

	Leasehold property £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2019 and 31 March 2020	324	-	324
Additions	-	31	31
Disposals	(324)	-	(324)
At 31 March 2021	-	31	31
Depreciation			
At 1 January 2019	-	-	-
Provided in period	180	-	180
At 31 March 2020	180	-	180
At 1 April 2020	180	-	180
Provided in year	144	5	149
Disposals	(324)	-	(324)
At 31 March 2021	-	5	5
Net book value			
At 31 March 2021	-	26	26
At 31 March 2020	144	-	144

The Group's property lease expired on 31 March 2021 and was not renewed. The remaining leases are in respect of two motor vehicles that were entered into during the year and due to expire in May and October 2023. 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 2021 is also detailed at note 15.

13 Trade and other receivables

Due after one year

	31 March 2021 £'000	31 March 2020 £'000
Trade receivables	238	361
Other receivables	-	18
Total trade and other receivables due after one year	238	379

Due within one year

	31 March 2021 £'000	31 March 2020 £'000
Trade receivables	4,214	5,501
Less: expected credit loss	-	-
Trade receivables – net	4,214	5,501
Taxation and social security	191	274
Other receivables	485	640
Contract assets	1,670	1,421
Prepayments	57	301
Total trade and other receivables due within one year	6,617	8,137
Total financial assets other than cash and cash equivalents classified as loans and receivables	6,617	8,137

The average credit period taken on sales of goods is 143 days (2020: 245 days). No interest is charged on receivables within the agreed credit terms. Thereafter, interest may be charged.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

13 Trade and other receivables (continued)

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 2021 £'000	31 March 2020 £'000
Not due yet		
0-29 days	1,671	3,071
Overdue		
30-59 days	148	116
60-89 days	614	356
90-119 days	412	622
120+ days	1,607	1,697
	4,452	5,862
Trade debtors in current assets	4,214	5,501
Trade debtors in non-current assets	238	361
	4,452	5,862

14 Trade and other payables

	31 March 2021 £'000	31 March 2020 £'000 (as restated)
Trade payables	432	310
Other payables	-	219
Accruals	8,613	9,145
Taxation and social security	59	36
Amount owed to related parties (note 20)	15	128
Lease liabilities (note 15)	23	146
Total trade and other payables	9,142	9,984
Total financial liabilities, excluding loans and borrowings, classified as financial liability measured at amortised cost	9,119	9,838

15 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. The breakdown of changes in lease liabilities for the period to 31 March 2021 is as follows.

	Leasehold property £'000	Motor vehicles £'000	Total £'000
At 1 January 2019	324	-	324
Interest expense	13	-	13
Lease payments	(191)	-	(191)
At 31 March 2020	146	-	146
At 1 April 2020	146	-	146
Additions	-	32	32
Interest expense	6	1	7
Lease payments	(152)	(10)	(162)
At 31 March 2021	-	23	23

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

15 Lease liabilities (continued)

During the year, the Group maintained property and cars on operating leases and the property lease expired on 31 March 2021. The total future value of minimum lease payments are due as follows:

	31 March 2021 £'000	31 March 2020 £'000
Not later than one year	11	152
Later than one year and not later than five years	14	-
	25	152

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. The Group left these premises as of 31 March 2021 and moved into serviced offices. The Group entered into two motor vehicle lease obligations on 25 June 2020 and 31 October 2020 respectively. The lease term for both leases is 3 years.

Short term leases not accounted for under IFRS 16 consist of the serviced offices and the expense for the period was £4,000 (2020: £Nil).

16 Interest bearing loans and borrowings

Due within one year

	31 March 2021 £'000	31 March 2020 £'000
Bank loan (secured)	-	-

The principal terms and the debt repayment schedule for the Group's loans and borrowings are as follows as at 31 March 2021:

	Currency	Nominal rate %	Year of maturity
Bank loan (secured)	Sterling	4.0 over Base Rate	2021

Bank borrowings

During the year, the Group had a revolving facility with a gross value of £500k. The facility was secured against a floating charge of the assets of the Group. No drawdowns were made on this facility during the year. Following the year end, the Directors concluded that the facility was no longer required and the charges over the assets were released.

17 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.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

17 Financial risk management (continued)

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.

In order to manage the liquidity risks, 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. Management monitor outstanding trade receivables against contract terms and consider indications of credit risk where relevant. 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.

The carrying amount would be the best representation of the maximum exposure to credit risk at the end of the reporting period.

The Group has one customer (2020: no customers) that has contributed more than 10% to the Group's income. The revenue attributable to that customer was £3,570,000 and is included in the Rights and Licencing segment in note 3.

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 2021 and 31 March 2020 was as follows:

	Assets		Liabilities	
	31 March 2021 £'000	31 March 2020 £'000	31 March 2021 £'000	31 March 2020 £'000
US dollar	2,936	3,691	(7)	(8)
Euros	539	887	(19)	(20)
Other	429	978		-
Total assets/(liabilities)	3,904	5,556	(26)	(28)

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. A strengthening of 10% on year end exchange rates would, all other things being equal, result in an additional charge to the income statement of £54,000.

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 2020.

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

17 Financial risk management (continued)

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.

Financial instruments

	31 March 2021 £'000	31 March 2020 £'000 (as restated)
Financial assets		
Financial assets that are debt instruments measured at amortised cost	6,798	8,215
	6,798	8,215
Financial liabilities		
Financial liabilities measured at amortised cost	9,119	9,838
	9,119	9,838

Financial assets measured at amortised cost include trade and other debtors, recoverable VAT 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 and accruals.

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.

31 March 2021	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	432	-	-	-	-	432
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	310	-	-	-	-	310

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

18 Share capital

	31 March 2021 £'000	31 March 2020 £'000
Share capital	12,272	12,272
Share premium	51,215	51,215
	63,487	63,487

Issued capital comprises:

	31 March 2021 £'000	31 March 2020 £'000
<u>Allotted, called up and fully paid</u>		
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 April 2020 and 31 March 2021	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.

19 Capital commitments

There were no capital commitments at 31 March 2021 or 31 March 2020.

20 Transactions with Directors and other related parties

Loans to Directors

At 31 March 2021 and 31 March 2020 there were no loans due to Directors.

Other transactions

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

Company	Director	Amount charged		Description
		Year to 31 March 2021 £'000	15 months to 31 March 2020 £'000	
Ultimate Finance Group Ltd	N McMyn	22	31	Provision of director, finance and management services

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

20 Transactions with Directors and other related parties (continued)

Other transactions (continued)

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

Company	Director	Amount payable		Description
		Year to 31 March 2021 £'000	15 months to 31 March 2020 £'000	
Ultimate Finance Group Ltd	N McMyn	15	8	Provision of director, finance and management services

The balance at the end of March 2021 relates wholly to invoicing in advance for the year from April 2021 to March 2022. All amounts charged in 2020/21 were paid ahead of the year end.

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 2021, DCD Rights Ltd owed £Nil to Timeweave Ltd (2020: £Nil).

Compensation of key management personnel of the Group

	Year to 31 March 2021 £'000	15 months to 31 March 2020 £'000
Short-term employee benefits	434	516
Pension benefits	9	10
	443	526

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

21 Retirement benefit schemes

The Group contributed to the personal pension plans of 15 employees in the year (2020: 18). Contributions in the year amounted to £19,517 (15 months to 31 March 2020: £28,084).

22 Notes supporting the cash flow statement

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

	31 March 2021 £'000	31 March 2020 £'000
Cash available on demand	4,146	2,735
	4,146	2,735

Notes to the consolidated financial statements for the year ended 31 March 2021 (continued)

23 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 2021

Company number 03393610

	Note	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Fixed assets			
Investments	4	1,608	1,608
Trade and other receivables	5	-	18
		1,608	1,626
Current assets			
Trade and other receivables	5	301	1,496
Cash at bank and in hand		74	45
		375	1,541
Total assets		1,983	3,167
Creditors: amounts falling due within one year			
	6	(225)	(1,505)
Total liabilities		(225)	(1,505)
Net assets		1,758	1,662
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		(61,692)	(61,788)
Shareholders' funds		1,758	1,662

The notes on pages 54 to 57 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 2 September 2021.



D Craven
Director

Parent company statement of changes in equity for the period ended 31 March 2021

	Share capital £'000	Share premium £'000	Own shares held £'000	Retained earnings £'000	Total equity £'000
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
Profit and total comprehensive income for the year	-	-	-	96	96
Balance at 31 March 2021	12,272	51,215	(37)	(61,692)	1,758

Notes to the parent company financial statements for the period ended 31 March 2021

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 Broadgate Tower, 20 Primrose Street, London EC2A 2EW, 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 2021. The comparatives cover the fifteen month period to 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 17 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.

Current taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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.

Notes to the parent company financial statements for the period ended 31 March 2021 (continued)

1 Principal accounting policies (continued)

Equity

See relevant accounting policy of the consolidated financial statements.

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 year

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 profit for the year after tax was £1,669,657 (15 months to March 2020: loss of £21,000). The result for the year includes £25,000 for the audit of the Company as parent of the DCD Media Plc group (15 months to March 2020: £25,000).

3 Intangible assets

	Programme Rights £'000
Cost	
At 1 April 2020	6,069
At 31 March 2021	6,069
Amortisation and impairment	
At 1 April 2020	6,069
At 31 March 2021	6,069
Net book value	
At 31 March 2021	-
At 31 March 2020	-

Notes to the parent company financial statements for the period ended 31 March 2021 (continued)

4 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 April 2020	25,227
At 31 March 2021	25,227
Accumulated amortisation	
At 1 April 2020	23,619
At 31 March 2020	23,619
Net book value	
At 31 March 2021	1,608
At 31 March 2020	1,608

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	(1,552)	(114)
September Films Ltd	England & Wales	Production of programmes for television	19	569
Rize Television Ltd	England & Wales	Production of programmes for television	253	33

The following companies are all 100% owned either directly or indirectly, are registered in England and Wales and were dormant in the year: Box TV Ltd, Box TV (Dice) Ltd, Box TV (S&L) Ltd, Box TV (Production) Ltd, Box TV (Prodco) Ltd, Box TV (In Production) Ltd, Box TV (Boudicca) Ltd, Box Film Ltd, DCD Drama Ltd, NBD Pictures Ltd, NBD Holdings Ltd, Prospect Pictures Ltd, Digital Classics Distribution (Two) Ltd, Rize Publishing Ltd, Rize International Ltd, September Songs Ltd and Breathtaking Ltd.

All companies within the group have their registered office at Broadgate Tower, 20 Primrose Street, London EC2A 2EW.

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. In the year September Films Ltd paid a dividend to DCD Media plc of £1,625,000 out of its distributable reserves.

5 Trade and other receivables

Non-current assets	31 March 2021 £'000	31 March 2020 £'000
Other debtors	-	18
Current assets	31 March 2021 £'000	31 March 2020 £'000
Amounts owed by group undertakings	263	1,441
VAT recoverable	11	6
Other debtors	4	34
Prepayments and accrued income	23	15
	301	1,496

Notes to the parent company financial statements for the period ended 31 March 2021 (continued)

6 Creditors: amounts falling due within one year

	31 March 2021 £'000	31 March 2020 £'000
Trade creditors	8	2
Amounts owed to group undertakings	155	1,437
Amounts due to related parties	15	8
Accruals and deferred income	47	58
	225	1,505

7 Share capital

See note 18 to the consolidated financial statements.

8 Financial instruments

	31 March 2021 £'000	31 March 2020 £'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	278	1,495
	278	1,495
Financial liabilities		
Financial liabilities measured at amortised cost	225	1,505
	225	1,505

Financial assets measured at amortised cost include trade and other debtors, recoverable VAT 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 and accruals.

9 Pension costs

During the year the Company made no contributions towards personal pension schemes (15 months to 31 March 2020: £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:

Company	Director	Amount charged		Description
		Year to 31 March 2021 £'000	15 months to 31 March 2020 £'000	
Ultimate Finance Group Ltd	N McMyn	22	31	Provision of director, finance and management services

At 31 March 2021, £15,000 was due to Ultimate Finance Group Ltd (2020: £7,500).

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.

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