

Princess Productions Limited

Annual report and financial statements

Year ended 31 December 2020

Registered number 03239469



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Company information

Directors

L Hicks
D O’Gara
P Salmon

Independent auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered office

Shepherds Building Central Legal Department
Endemol Shine UK
Charecroft Way
London
W14 0EE

Bankers

HSBC Bank
62-76 Park Street
London
SE1 9DZ

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Company registration number

03239469

Directors' report

The Directors present their report and the audited financial statements of Princess Productions Limited ("the Company") for the financial year ended 31 December 2020.

Principal activities

The Company's principal activity continues to be the production of television programmes.

A business review has not been completed for the Company because it is entitled to claim the exemption from doing so under section 415A of the Companies Act 2006.

A summary of the principal risks and uncertainties facing the Company has not been completed because it is entitled to claim the exemption from the business review under section 415A of the Companies Act 2006.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation in the twelve months from the signing date of these financial statements.

The financial statements have been prepared on a going concern basis. The Company has made a profit of £806,000 for the period ended 31 December 2020, is in a net liabilities position of £1,085,000 as at 31 December 2020 and is expecting to trade profitably in the foreseeable future based on forecasts.

The Company's performance is dependent upon its ability to develop, produce and deliver television productions to clients. The health of key talent, staff and contributors is fundamental to achieve this aim. In line with Government guidelines, appropriate measures have been taken regarding health and safety and travel restrictions. The company continues to monitor the impact of COVID-19 pandemic and further detail on the Company's assessment of COVID-19 can be seen within the COVID-19 disclosure below.

The Company's intermediate parent undertaking Banijay Group SAS has given a letter of support confirming it has the ability to and will provide continuing financial support to enable the Company to meet its obligations as and when they fall due for a period of twelve months from the date the directors approve the financial statements of the Company.

Banijay Group SAS has performed cashflow forecasting on the wider Banijay Group and is in a favorable liquidity position. One or more of the Company's directors holds a Group management position with visibility of the Group's position. Based on this information and on enquiries, the directors believe that Banijay Group SAS has the ability to provide financial support to the Company for a period of twelve months from the signing date of these financial statements.

Taking into account the position of the intermediate parent, and their assessment of the impact on the Company, the directors are of the view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

COVID-19

The Directors have considered the risks on the Company's liquidity and the ongoing use of the going concern status in connection to the COVID-19 pandemic.

Directors' report (continued)

Management are continuously monitoring the evolution of the situation and, where necessary, imposing the appropriate course of action to ensure that the Company remains liquid and solvent. Television programmes have continued to be produced throughout the course of the period in accordance to COVID-19 regulations. Furthermore, as at the date of signing these financial statements, television programmes are expected to be produced in the foreseeable future.

As a result, the Directors remain confident at the date of signing these financial statements that the COVID-19 pandemic will not impact the ongoing use of the going concern basis.

Brexit

Whilst the terms on which the United Kingdom will withdraw from the European Union has been recently agreed, it is still considered early to fully evaluate all of the potential implications on the company's business and the wider economy. Nonetheless the Directors consider that they have taken all reasonable steps necessary to mitigate the risks associated with the withdrawal and the Directors remain confident at the date of signing these financial statements that the Brexit agreement will not impact the ongoing viability of the Company.

Directors

The Directors who held office during the year and through to the date of this report, except where noted, were as follows:

L Hicks	
R Johnston	(Resigned on 14 August 2020)
D O'Gara	
P Salmon	(Appointed on 1 September 2020)

Directors' liabilities

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provisions were in force during the financial year and remains in force as at the date of approving the Directors' report.

Directors' report (continued)

Disclosure of information to the auditors

Each of the persons who are Directors at the date of approval of this report confirms that:

a) so far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and

b) the Directors have taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

On 15 February 2021, PricewaterhouseCoopers LLP resigned as auditors of the Company and Ernst & Young LLP was appointed. In accordance with Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Small companies' exemption

In preparing the Directors' report, the Directors have taken advantage of the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Directors have also taken the exemption under section 414(B) not to prepare a Strategic report.

Approved by the Board and signed on its behalf by:

Derek O'Gara

D O'Gara
Director

17 December 2021

Shepherds Building Central Legal Department
Endemol Shine UK
Charecroft Way
London
W14 0EE

Statement of directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent.

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

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

Independent auditors' report to the members of Princess Productions Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Princess Productions Limited (the 'company') for the year ended 31 December 2020 which comprise the *Profit and loss account*, the *Balance sheet*, the *Statement of changes in equity* and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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.

Independent auditors' report to the members of Princess Productions Limited (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report to the members of Princess Productions Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

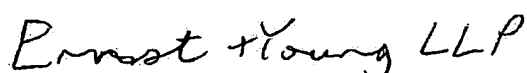
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, and GDPR.
- We understood how Princess Productions Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas and reviewed supporting documentation. We also read correspondence with relevant authorities. We corroborated our enquiries through our review of Board minutes provided to us during the audit.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk. We incorporated data analytics into our testing of manual journals including segregation of duties. We tested specific transactions, for example manual postings to revenue and unusual account pairings back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions. We also considered key performance indicators and their propensity to influence efforts made by management to manipulate results.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance and journal entry testing identified by specific risk criteria.

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

Independent auditors' report to the members of Princess Productions Limited (continued)

Use of our report

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

The image shows a handwritten signature in black ink that reads "Ernst + Young LLP". The signature is written in a cursive, flowing style.

*Louise Pennell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 20 December 2021*

Profit and loss account

For the year ended 31 December 2020

	<i>Note</i>	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Revenue		75	195
Cost of sales		(87)	(108)
Gross profit		(13)	87
Administrative expenses		(76)	-
Operating (loss)/profit	5	(89)	87
Finance costs	8	(12)	(67)
(Loss)/Profit before taxation		(101)	20
Tax on (loss)/profit	9	907	(22)
Profit/(Loss) for the financial year		806	(2)

The above results are derived from continuing operations. There was no other comprehensive income or expense for 2020 (2019: £nil).

The notes on pages 13 to 22 form an integral part of these financial statements.

Balance sheet

As at 31 December 2020

	Note	As at 31 December 2020 £000	As at 31 December 2019 £000
Current assets			
Tangible assets	11	-	8
Debtors	12	1,202	498
Cash		38	32
		<u>1,240</u>	<u>538</u>
Current liabilities			
Creditors: amounts falling due within one year	13	<u>(2,325)</u>	<u>(2,429)</u>
		(2,325)	(2,429)
Net current liabilities		(1,085)	(1,891)
Net liabilities		<u>(1,085)</u>	<u>(1,891)</u>
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account		(1,085)	(1,891)
Total shareholders' deficit		<u>(1,085)</u>	<u>(1,891)</u>

The financial statements of Princess Productions Limited have been prepared in compliance with United Kingdom Accounting Standards including Section 1A of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The financial statements of Princess Productions Limited (registered number 03239469) on pages 10 to 22 were approved by the Board of Directors on 17 December 2021 and signed on its behalf by:

Derek O'Gara

D O'Gara
Director

The notes on pages 13 to 22 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2020

	Called up share capital £000	Profit and loss account £000	Total shareholders' deficit £000
At 1 January 2019	-	(1,889)	(1,889)
Loss for the financial year	-	(2)	(2)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	(1,891)	(1,891)
Profit for the financial year	-	806	806
	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	(1,085)	(1,085)
	<hr/>	<hr/>	<hr/>

Notes to the financial statements

1 General information

Princess Productions Limited's principal activity continues to be the production of television programmes.

The Company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Shepherds Building Central Legal Department, Endemol Shine UK, Charecroft Way, London, W14 0EE.

2 Statement of compliance

The financial statements of Princess Productions Limited have been prepared in compliance with United Kingdom Accounting Standards including Section 1A of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

The preparation of financial statements requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation in the twelve months from the signing date of these financial statements.

The financial statements have been prepared on a going concern basis. The Company has made a profit of £806,000 for the period ended 31 December 2020, is in a net liabilities position of £1,085,000 as at 31 December 2020 and is expecting to trade profitably in the foreseeable future based on forecasts.

The Company's intermediate parent undertaking Banijay Group SAS has given a letter of support confirming it has the ability to and will provide continuing financial support to enable the Company to meet its obligations as and when they fall due for a period of twelve months from the date the directors approve the financial statements of the Company.

Banijay Group SAS has performed cashflow forecasting on the wider Banijay Group and is in a favorable liquidity position. One or more of the Company's directors holds a Group management position with visibility of the Group's position. Based on this information and on enquiries, the directors believe that Banijay Group SAS has the ability to provide financial support to the Company for a period of 12 months from the signing date of these financial statements.

Notes to the financial statements (continued)

3 Accounting policies (continued)

Taking into account the position of the intermediate parent, and their assessment of the impact on the Company, the directors are of the view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows an entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the exemption under FRS 102 paragraph 7.1(b) not to produce a cash flow statement on the grounds that the Company is small reporting entity.

Consolidation

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to produce consolidated financial statements on the grounds that the Company is included in the consolidated financial statements of its ultimate parent company, which are publicly available (note 17). These financial statements present information about the Company as an individual undertaking and not about its group.

Related party transactions

As a wholly-owned subsidiary of Banijay Group SAS, the Company has taken advantage of the exemption under FRS 102 Paragraph 1AC.35 on the basis the disclosure need not be given regarding related party transactions with other wholly-owned subsidiaries of the group.]

Revenue

In the view of the Directors, Princess Productions Limited has only one business segment, which is television production, to which all revenue can be attributed.

Production revenues are recognised when the programs are delivered to the client. Standard criteria to establish revenue recognition are:

- client's acceptance document (i.e. delivery notice signed/approved by the client, etc.)
- delivery of a certain number of episodes, and
- expiry of the period stated in the contract to reject or return the product.

In case of partial delivery of the same program over several periods of time (series, etc.), revenue, costs and margin are recognised according to episodic deliveries.

Production revenues are booked net of grants, subsidies and co-producers' contributions.

Revenue not meeting these conditions is deferred. Revenue recognised in the Statement of comprehensive income but not yet invoiced is held on the Statement of financial position within prepayments and accrued income. Revenue invoiced but not yet recognised in the Statement of comprehensive income is held on the Statement of financial position within accruals and deferred income.

Pensions

The Company pays pension contributions into various individuals' own defined contribution money purchase pension schemes. The assets of the schemes are held separately from those of the Company in an independently administered fund. The charge to the Profit and loss account comprises the total contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance sheet.

Notes to the financial statements (continued)

3 Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible assets over their expected useful lives, using the straight line method as follows:

Fixtures and fittings	–	4 years
Motor vehicles	–	4 years
Computer, furniture and studio equipment	–	10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each accounting period. The effect of any change is accounted for prospectively.

Debtors

Short term debtors are measured at transaction price, less any impairments. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Creditors are obligations to pay for goods and services that have been acquitted in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Foreign currencies

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 Balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Profit and loss account.

Notes to the financial statements (continued)

4 Critical accounting judgements and estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

Deferred tax

Deferred tax asset and liabilities require management judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income.

Impairment of debtors

The Company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the ageing profile of the debtors, historical experience and current economic conditions.

5 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Auditors' remuneration – audit of the Company's annual financial statements	5	9
Depreciation of owned tangible assets (note 11)	<u>8</u>	<u>13</u>

The audit fees were paid on behalf of the company by Endemol Shine UK limited, a fellow group undertaking.

6 Staff numbers and costs

The average monthly number of persons employed by the Company during the year (excluding four (2019: three) directors who were employed and remunerated by other group companies was nil (2019: nil).

7 Directors' remuneration

Four directors (2019: two) who served during the year were employed and remunerated by other Group companies and these companies are Endemol Shine UK Limited and Endemol Shine Group Holding Limited.

During the year one director (2019: one) accrued benefits under the Endemol Shine UK Limited defined contribution money purchase pension schemes.

These costs have been paid by other group companies and have not been recharged to the Company.

Notes to the financial statements (continued)

8 Finance costs

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Interest payable to Group undertakings	12	67
	<u>12</u>	<u>67</u>

9 Tax on loss

(a) Analysis of tax charge for the year

The tax charge is made up as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Current tax:		
UK corporation tax on loss for the year	(71)	-
Group relief receivable	(901)	-
Total current tax	-	-
Deferred tax (note 14):		
Origination and reversal of timing differences	52	56
Adjustment for rate change	-	(34)
Prior year adjustment	13	-
Tax on profit	<u>(907)</u>	<u>22</u>

Notes to the financial statements (continued)

9 Tax on profit (continued)

(b) Reconciliation of tax charge

The total tax charge for the year is lower as (2019: higher) the standard 19% rate of corporation tax (2019: standard UK 19% rate of corporation tax). The differences are explained below:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Profit/(loss) before taxation	<u>(101)</u>	<u>20</u>
Profit before taxation multiplied by 19% (2019: 19%)	(19)	4
Effects of:		
Impact of rate change	-	(34)
Current year group relief surrendered/(claimed)	-	(4)
Group relief receivable	(901)	-
Timing differences	-	56
Prior year adjustment	<u>13</u>	<u>-</u>
Tax on loss	<u>(907)</u>	<u>22</u>

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

10 Investments

	Unlisted subsidiaries £
Cost	
At 1 January 2020	1
Additions	-
At 31 December 2020	<u>1</u>
Provisions for impairment	
At 1 January 2020	(1)
Impairment for the year	-
At 31 December 2020	<u>(1)</u>
Net book amount	
At 1 January 2020	-
At 31 December 2020	<u>-</u>

Notes to the financial statements (continued)

10 Investments (continued)

Investments in subsidiary undertakings comprise of the following shareholdings:

Subsidiary undertaking	Country of incorporation	Class of shares	Proportion of voting rights and ordinary share capital held	Nature of business
Superchargers Limited	England & Wales	Ordinary	100%	Television production

The address of the subsidiary's registered office is Shepherds Building Central, Charecroft Way, London, W14 0EE

11 Tangible assets

	Fixtures and fittings £000	Motor vehicles £000	Computer, furniture and studio equipment £000	Total £000
Cost at 1 January 2020 and 31 December 2020	4,319	102	1,910	6,331
Accumulated depreciation				
At 1 January 2020	(4,311)	(102)	(1,910)	(6,323)
Charge for the year	(8)	-	-	(8)
At 31 December 2020	(4,319)	(102)	(1,910)	(6,331)
Net book amount				
At 31 December 2020	-	-	-	-
At 31 December 2019	8	-	-	8

Notes to the financial statements (continued)

12 Debtors

	As at 31 December 2020 £000	As at 31 December 2019 £000
Trade debtors	28	13
Amounts owed by Group undertakings	973	219
Deferred taxation (note 14)	201	266
	<u>1,202</u>	<u>498</u>

The amounts owed by Group undertakings are repayable on demand and do not bear interest (2019: repayable on demand and do not bear interest).

Trade debtors are stated after provision for impairment of £81,000 (2019: £63,000).

13 Creditors: amounts falling due within one year

	As at 31 December 2020 £000	As at 31 December 2019 £000
Trade creditors	35	-
Amounts owed to Group undertakings	2,228	2,337
Taxation and social security	1	-
Accruals and deferred income	48	80
Other creditors	13	12
	<u>2,325</u>	<u>2,429</u>

The amounts owed to Group undertakings are repayable on demand in both the current and prior year.

At 31 December 2020 the interest bearing portion of amounts owed to Group undertakings was £1,981,000 (2019: £1,905,000) and incurred interest at a rate of 3.57% (2019: 3.57%). The remaining amounts owed to Group undertakings were interest free at 31 December 2020 and 31 December 2019.

Notes to the financial statements (continued)

14 Deferred tax

Movement on deferred tax assets during the year comprised:

	£000
At 1 January 2020	266
Charged to the Profit and loss account (note 9)	(65)
At 31 December 2020	201

The elements of deferred tax are as follows:

	As at 31 December 2020 £000	As at 31 December 2019 £000
Accelerated capital allowances	201	254
Short term timing differences	-	12
Total deferred tax asset	201	266

A deferred tax asset of £339,000 (2019: £244,000) has not been recognised in respect of losses due to the lack of foreseeable future profits against which the deferred tax asset would become recoverable.

The Directors consider it likely that other group companies will make sufficient profits in the future, against which the Company will be able to utilise the deferred tax asset through group relief.

15 Called up share capital

	As at 31 December 2020 £	As at 31 December 2019 £
<i>Allotted, called up and fully paid</i>		
2 (2019: 2) ordinary shares of £1.00	2	2
	2	2

There are no restrictions on the distribution of dividends and repayment of capital.

16 Capital and other commitments

The Company had no capital commitments at 31 December 2020 or 31 December 2019.

Notes to the financial statements (continued)

17 Parent undertaking

The immediate parent undertaking is Shine Limited, a company incorporated and registered in England and Wales.

The smallest group in which the results of the Company are consolidated is that headed by Banijay Group SAS. Financial statements for Banijay Group SAS are publicly available and can be obtained from 5 rue Francois 1er, 75008 Paris, France.

At the date of the statement of financial position the ultimate parent undertaking and controlling party is Stephane Courbit's LOV Group who control Banijay Group.

On 2 July 2020, Banijay Group SAS (through its wholly owned subsidiary, Banijay Entertainment SAS) completed the acquisition of all the shares of AP NMT JV Newco B.V. (the indirect parent of Princess Productions Ltd) after having met all regulatory approvals and closing conditions.

18 Events after the end of the reporting period

There are no adjusting or non-adjusting post-balance sheet events of note.