

Company Registration No. 02829144 (England and Wales)

**TITAN ENTERTAINMENT GROUP LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2019**

**Approved for and on behalf of the directors:**

**TC Group**  
**Level 1, Devonshire House**  
**One Mayfair Place**  
**London**  
**United Kingdom**  
**W1J 8AJ**

**TITAN ENTERTAINMENT GROUP LIMITED**

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**TITAN ENTERTAINMENT GROUP LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Mr N A Landau Ms V W M Cheung
<b>Secretary</b>	Ms V W M Cheung
<b>Company number</b>	02829144
<b>Registered office</b>	Titan House 144 Southwark Street London SE1 0UP United Kingdom
<b>Auditor</b>	TC Group Level 1, Devonshire House One Mayfair Place London United Kingdom W1J 8AJ
<b>Bankers</b>	National Westminster Bank Plc 280 Bishopsgate London EC2N 3NW
<b>Solicitors</b>	Sebastians Solicitors St Bartholomew House 92 Fleet Street London EC4Y 1PB

## **TITAN ENTERTAINMENT GROUP LIMITED**

### **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present the strategic report for the year ended 31 December 2019.

#### **Principal activities**

The principal activities of the group in the year under review were that of book, magazine and comic publishing and that of retailing entertainment merchandise and books. There are two operating subsidiary companies in the group, Titan Publishing Group Limited and Forbidden Planet Limited. The activity of the parent company was that of the provision of management and administrative services to the group and its related companies.

#### **Fair review of the business**

During the year, the group made a profit before tax of £136k on a turnover of £37.7m. The results represent the performance of the trading subsidiaries.

The directors had expected the general level of activity to continue into 2020 based on the results of the group at the beginning of the year. However, like the majority of businesses, there was a significant initial adverse impact, as a result of the Coronavirus and whilst trading has subsequently continued with consistency, trading volumes have been affected.

The Coronavirus forced the closure of all stores operated by Forbidden Planet Limited during the national lockdowns but the subsidiary's web sales were strong during these periods. The company is investing in its web operations so that it and its customers are not reliant on the stores.

The directors expect the group to achieve growth in the future.

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

The principal risk and uncertainty to the company is considered to be the reading of trends and, as such, the demand for the products by its customers. The company is confident that, through good market research and experience of the market, the risk associated with this is greatly reduced. The company has also highlighted the following factors as potential risks to successful performance:

- Political, financial and economic risk
- Supply chain management
- Cyber risk and business interruption
- Reliance on key personnel
- Brand and reputation

#### **Treasury operations and financial instruments**

Titan Entertainment Group operates a centralised treasury function which is responsible for the liquidity, interest, credit and foreign currency risks associated with the individual companies activities.

#### **Liquidity risk**

The group manages its cash and borrowing requirement centrally to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating requirements of the business.

**TITAN ENTERTAINMENT GROUP LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Interest rate risk**

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

**Foreign currency risk**

The group's principle foreign currency exposures arise from trading operations in overseas countries, these naturally hedge themselves.

**Credit risk**

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and a provision is made for doubtful debts where necessary.

**Coronavirus**

The directors have considered the continued impact of the Coronavirus pandemic on the business.

Whilst social restrictions and economic uncertainties are likely to continue into 2021, the expectation is for trade to return to pre-pandemic levels.

The group took steps to mitigate the impact of the Coronavirus by placing some staff on furlough and generally reducing the cost base. However, most of the staff are now back at work.

The group has taken all necessary action to ensure the continued safety, health and wellbeing of the staff. The business is fully functioning with staff continuing to work remotely (where possible), via secure remote access, resulting in no impact to the day to day activities.

In addition, all suppliers to the business have confirmed satisfactory operations are in place to ensure no interruption to the business.

**Brexit**

There also remains the uncertainty over the impact of Brexit, including the lack of a final agreement between the UK government and the EU. Although it has been difficult to comprehensively plan for the anticipated effect of Brexit 2021, the company has already carried out numerous steps to ensure its compliance with future rules.

**Future developments**

The directors do not anticipate any significant changes in the activities of the group. In the short term, the immediate focus is to continue to manage the impact of the Coronavirus and to bring trading levels back up to the volumes achieved in earlier years.

**Key performance indicators**

The directors monitor KPI's regularly, whenever there is a variance from expectation this is investigated. Sales within retail are analysed daily by store and product grouping. Sales within publishing are analysed weekly by territory and sales channel. Cash flows are closely monitored on a daily basis.

On behalf of the board

Mr N A Landau

Director

29 December 2020

**TITAN ENTERTAINMENT GROUP LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their annual report and financial statements for the year ended 31 December 2019.

**Directors**

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

Mr N A Landau

Ms V W M Cheung

**Results and dividends**

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

Ordinary dividends were paid amounting to £168,560. The directors recommend payment of a final dividend amounting to £84,280.

**Post reporting date events**

On 11 March 2020, the World Health Organisation declared that Coronavirus was a global pandemic and on 23 March 2020, unprecedented restrictions were imposed on the movement of people and the ability of businesses to trade in the United Kingdom in an attempt to limit the spread of the virus.

The directors have considered the potential impact this may have on future operations as outlined in note 1.3 and will continue to closely monitor the impact of the Coronavirus outbreak on the business activities of the group.

**Auditor**

The auditor, TC Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Strategic report**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr N A Landau

**Director**

29 December 2020

**TITAN ENTERTAINMENT GROUP LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**TITAN ENTERTAINMENT GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF TITAN ENTERTAINMENT GROUP LIMITED**

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**Opinion**

We have audited the financial statements of Titan Entertainment Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, 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 state of the group's and the parent company's affairs as at 31 December 2019 and of the group's 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, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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



**TITAN ENTERTAINMENT GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF TITAN ENTERTAINMENT GROUP LIMITED**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

**TITAN ENTERTAINMENT GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF TITAN ENTERTAINMENT GROUP LIMITED**

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**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

**Timothy Saxton FCA (Senior Statutory Auditor)**  
**for and on behalf of TC Group**

**Statutory Auditor**  
Office: London

29 December 2020

**TITAN ENTERTAINMENT GROUP LIMITED**

**GROUP INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Revenue</b>	<b>3</b>	37,712,434	36,797,105
Cost of sales		(24,537,299)	(25,618,330)
<b>Gross profit</b>		13,175,135	11,178,775
Distribution costs		(1,820,653)	(1,805,698)
Administrative expenses		(11,301,935)	(11,242,253)
Other operating income		196,298	32,568
<b>Operating profit/(loss)</b>	<b>4</b>	248,845	(1,836,608)
Investment income	<b>8</b>	98	-
Finance costs	<b>9</b>	(113,417)	(99,318)
<b>Profit/(loss) before taxation</b>		135,526	(1,935,926)
Tax on profit/(loss)	<b>10</b>	(3,473)	335,982
<b>Profit/(loss) for the financial year</b>		132,053	(1,599,944)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

The Income Statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 17 to 39 form part of these financial statements

**TITAN ENTERTAINMENT GROUP LIMITED**

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	132,053	(1,599,944)
<b>Other comprehensive income</b>		
Tax relating to other comprehensive income	(123,109)	137,815
<b>Total comprehensive income for the year</b>	<u>8,944</u>	<u>(1,462,129)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 17 to 39 form part of these financial statements

**TITAN ENTERTAINMENT GROUP LIMITED**

**GROUP STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2019**

		2019		2018	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12	210,691		-	
Property, plant and equipment	13	14,035,409		14,102,364	
		14,246,100		14,102,364	
<b>Current assets</b>					
Inventories	16	3,811,653		5,017,399	
Trade and other receivables	17	5,165,998		5,784,572	
Cash at bank and in hand		4,436,623		3,846,509	
		13,414,274		14,648,480	
<b>Current liabilities</b>	18	(11,863,444)		(12,702,652)	
<b>Net current assets</b>		1,550,830		1,945,828	
<b>Total assets less current liabilities</b>		15,796,930		16,048,192	
<b>Non-current liabilities</b>	19	(1,349,178)		(1,585,040)	
<b>Provisions for liabilities</b>	21	(1,527,894)		(1,383,678)	
<b>Net assets</b>		12,919,858		13,079,474	
<b>Equity</b>					
Called up share capital	24	1,204		1,204	
Revaluation reserve		6,920,889		7,043,998	
Retained earnings		5,997,765		6,034,272	
<b>Total equity</b>		12,919,858		13,079,474	

The financial statements were approved by the board of directors and authorised for issue on 29 December 2020 and are signed on its behalf by:

Mr N A Landau  
Director

**TITAN ENTERTAINMENT GROUP LIMITED**

**COMPANY STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2019**

		2019		2018	
	Notes	£	£	£	£
<b>Non-current assets</b>					
Intangible assets	12		29,500		-
Property, plant and equipment	13		10,430,125		10,446,122
Investments	14		1,201		1,201
			<u>10,460,826</u>		<u>10,447,323</u>
<b>Current assets</b>					
Trade and other receivables	17	4,313,806		2,513,444	
Cash and cash equivalents		13,156		9,227	
			<u>4,326,962</u>		<u>2,522,671</u>
<b>Current liabilities</b>	18	(5,586,529)		(3,499,548)	
<b>Net current liabilities</b>			<u>(1,259,567)</u>		<u>(976,877)</u>
<b>Total assets less current liabilities</b>			9,201,259		9,470,446
<b>Non-current liabilities</b>	19		(1,349,178)		(1,585,040)
<b>Provisions for liabilities</b>	22		(1,307,165)		(1,189,205)
<b>Net assets</b>			<u>6,544,916</u>		<u>6,696,201</u>
<b>Equity</b>					
Called up share capital	24		1,204		1,204
Revaluation reserve			6,454,836		6,572,796
Retained earnings			88,876		122,201
<b>Total equity</b>			<u>6,544,916</u>		<u>6,696,201</u>

As permitted by section 408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £135,235 (2018 - £139,982 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 December 2020 and are signed on its behalf by:

Mr N A Landau  
Director

**Company Registration No. 2829144**

The notes on pages 17 to 39 form part of these financial statements

**TITAN ENTERTAINMENT GROUP LIMITED**

**GROUP STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

		Share capital	Revaluation reserve	Retained earnings	Total
	Notes	£	£	£	£
<b>Balance at 1 January 2018</b>		1,204	6,906,183	7,802,776	14,710,163
<b>Year ended 31 December 2018:</b>					
Loss for the year		-	-	(1,599,944)	(1,599,944)
Other comprehensive income:					
Deferred tax adjustment relating to revalued properties		-	137,815	-	137,815
Total comprehensive income for the year		-	137,815	(1,599,944)	(1,462,129)
Dividends	11	-	-	(168,560)	(168,560)
<b>Balance at 31 December 2018</b>		1,204	7,043,998	6,034,272	13,079,474
<b>Year ended 31 December 2019:</b>					
Profit for the year		-	-	132,053	132,053
Other comprehensive income:					
Deferred tax adjustment relating to revalued properties		-	(123,109)	-	(123,109)
Total comprehensive income for the year		-	(123,109)	132,053	8,944
Dividends	11	-	-	(168,560)	(168,560)
<b>Balance at 31 December 2019</b>		1,204	6,920,889	5,997,765	12,919,858

The notes on pages 17 to 39 form part of these financial statements

**TITAN ENTERTAINMENT GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

		Share capital	Revaluation reserve	Retained earnings	Total
	Notes	£	£	£	£
<b>Balance at 1 January 2018</b>		1,204	6,434,981	150,779	6,586,964
<b>Year ended 31 December 2018:</b>					
Profit for the year		-	-	139,982	139,982
Other comprehensive income:					
Deferred tax adjustment relating to revalued properties		-	137,815	-	137,815
Total comprehensive income for the year		-	137,815	139,982	277,797
Dividends	11	-	-	(168,560)	(168,560)
<b>Balance at 31 December 2018</b>		1,204	6,572,796	122,201	6,696,201
<b>Year ended 31 December 2019:</b>					
Profit for the year		-	-	135,235	135,235
Other comprehensive income:					
Deferred tax adjustment relating to revalued properties		-	(117,960)	-	(117,960)
Total comprehensive income for the year		-	(117,960)	135,235	17,275
Dividends	11	-	-	(168,560)	(168,560)
<b>Balance at 31 December 2019</b>		1,204	6,454,836	88,876	6,544,916

The notes on pages 17 to 39 form part of these financial statements



**TITAN ENTERTAINMENT GROUP LIMITED**

**GROUP STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	31		1,577,123		(109,105)
Interest paid			(113,417)		(99,318)
Income taxes refunded			360		22,431
<b>Net cash inflow/(outflow) from operating activities</b>			<b>1,464,066</b>		<b>(185,992)</b>
<b>Investing activities</b>					
Purchase of intangible assets		(210,691)		-	
Purchase of property, plant and equipment		(303,598)		(231,443)	
Proceeds on disposal of property, plant and equipment		2,050		-	
Interest received		98		-	
<b>Net cash used in investing activities</b>			<b>(512,141)</b>		<b>(231,443)</b>
<b>Financing activities</b>					
Proceeds of new bank loans		-		1,000,000	
Repayment of bank loans		(235,862)		(195,141)	
Dividends paid to equity shareholders		(168,560)		(168,560)	
<b>Net cash (used in)/generated from financing activities</b>			<b>(404,422)</b>		<b>636,299</b>
<b>Net increase in cash and cash equivalents</b>			<b>547,503</b>		<b>218,864</b>
Cash and cash equivalents at beginning of year			(1,541,079)		(1,759,943)
<b>Cash and cash equivalents at end of year</b>			<b>(993,576)</b>		<b>(1,541,079)</b>
<b>Relating to:</b>					
Cash at bank and in hand			4,436,623		3,846,509
Bank overdrafts included in creditors payable within one year			(5,430,199)		(5,387,588)

The notes on pages 17 to 39 form part of these financial statements

**TITAN ENTERTAINMENT GROUP LIMITED**

**COMPANY STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019	2018
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	32	(539,107)	(517,579)
Interest paid		(113,417)	(99,120)
Income taxes paid		(44,765)	(27,972)
<b>Net cash outflow from operating activities</b>		<b>(697,289)</b>	<b>(644,671)</b>
<b>Investing activities</b>			
Purchase of intangible assets		(29,500)	-
Purchase of property, plant and equipment		(208,178)	(65,984)
Proceeds on disposal of property, plant and equipment		2,050	-
Dividends received		-	140,000
<b>Net cash (used in)/generated from investing activities</b>		<b>(235,628)</b>	<b>74,016</b>
<b>Financing activities</b>			
Proceeds of new bank loans		-	1,000,000
Repayment of bank loans		(235,862)	(195,141)
Dividends paid to equity shareholders		(168,560)	(168,560)
<b>Net cash (used in)/generated from financing activities</b>		<b>(404,422)</b>	<b>636,299</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,337,339)</b>	<b>65,644</b>
Cash and cash equivalents at beginning of year		(2,039,485)	(2,105,129)
<b>Cash and cash equivalents at end of year</b>		<b>(3,376,824)</b>	<b>(2,039,485)</b>
<b>Relating to:</b>			
Cash at bank and in hand		13,156	9,227
Bank overdrafts included in creditors payable within one year		(3,389,980)	(2,048,712)

The notes on pages 17 to 39 form part of these financial statements

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**Company information**

Titan Entertainment Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Titan House, 144 Southwark Street, LONDON, SE1 0UP.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

**1.2 Basis of consolidation**

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

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

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**(Continued)**

**1.3 Going concern**

At the time of approving these financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

In making this assessment, the directors have considered trading levels since the Coronavirus pandemic was declared. The group's turnover is forecast to be down for the year to 31 December 2020 by approximately 23%.

In order to help protect the company's employees and cash position, the group has taken advantage of a range of the government Coronavirus assistance packages where they have considered it appropriate.

Whilst social restrictions and economic uncertainties are likely to continue into 2021, the expectation is for trade to return to pre-pandemic levels.

The directors have prepared budgets to December 2021 that show the group is expected to return to 2019 trading levels and will be profitable. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.4 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Retail sales are reflected at the date of transactions with customers.

Turnover in the individual accounts of Titan Entertainment Group Limited includes revenue earned from the provision of management and administrative services to group and related companies.

**1.5 Research and development expenditure**

Development costs are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The methods of amortisation being chosen are to reflect the patterns in which the asset's future economic benefits are expected to be consumed. Impairment reviews are being undertaken if there are indications of impairment, as assessed at the reporting date.

**1.6 Property, plant and equipment**

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

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**1 Accounting policies**

**(Continued)**

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

Freehold buildings	5% straight line
Leasehold buildings	Over the term of the lease
Plant and machinery	25% reducing balance & 14.3% straight line
Fixtures, fittings & equipment	14.3% straight line
Computer equipment	33.3% straight line & 20% straight line
Motor vehicles	25% reducing balance & 14.3% straight line

No depreciation is provided in respect of freehold land.

Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, no depreciation is charged as it is not material. Whilst this is a departure from the general requirement of the Companies Act 2006 for depreciation to be charged on buildings, the directors consider it necessary for the financial statements to give a true and fair view.

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

**1.7 Non-current investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

**1.8 Impairment of non-current assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that 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).

**1.9 Inventories**

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**(Continued)**

**1.10 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.11 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**(Continued)**

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including trade and other payables, bank overdrafts and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**1.12 Equity instruments**

Equity instruments issued by the group are recorded as the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

**1.13 Taxation**

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

***Current tax***

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

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**1 Accounting policies**

**(Continued)**

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

**1.14 Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**1.15 Employee benefits**

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

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

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

**1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.17 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1 Accounting policies**

**(Continued)**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**1.18 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

**2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

***Valuation of stock***

The group sells books, magazines, comics and entertainment merchandise and is subject to changing consumer demands and trends. As a result it is necessary to consider the recoverability of the cost of items held as stock and the associated provisioning required. When calculating the provision, management considers the nature and condition of the items as well as applying assumptions around the saleability of them.

***Valuation of land and buildings***

As described in note 13 to the financial statements, land and buildings are stated at fair value based on the valuations performed by independent professional valuers.

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**3 Revenue**

An analysis of the group's revenue is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Publishing	17,094,487	17,385,464
Retail	20,617,947	19,411,641
	<u>37,712,434</u>	<u>36,797,105</u>
	<u><u>37,712,434</u></u>	<u><u>36,797,105</u></u>

**Revenue analysed by geographical market**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
United Kingdom	25,867,549	25,672,208
Overseas	11,844,885	11,124,897
	<u>37,712,434</u>	<u>36,797,105</u>
	<u><u>37,712,434</u></u>	<u><u>36,797,105</u></u>

**4 Operating profit/(loss)**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses/(gains)	30,923	(40,772)
Depreciation of owned property, plant and equipment	367,651	444,520
Loss on disposal of property, plant and equipment	852	-
Operating lease charges	444,524	371,487
	<u><u>444,524</u></u>	<u><u>371,487</u></u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £30,923 (2018 - £40,772).

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**5 Auditor's remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	11,319	8,950
Audit of the financial statements of the company's subsidiaries	50,541	51,022
	<u>61,860</u>	<u>59,972</u>
<b>For other services</b>		
All other non-audit services	<u>68,884</u>	<u>49,671</u>

**6 Employees**

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

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Sales	168	162	-	-
Production	36	41	-	-
Distribution and administration	86	90	53	53
	<u>290</u>	<u>293</u>	<u>53</u>	<u>53</u>

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	7,898,704	8,057,102	1,608,488	1,576,669
Social security costs	559,645	568,721	166,899	160,275
Pension costs	153,749	144,593	48,731	60,542
	<u>8,612,098</u>	<u>8,770,416</u>	<u>1,824,118</u>	<u>1,797,486</u>

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**7 Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	102,000	102,000
Company pension contributions to defined contribution schemes	10,000	28,251
	<u>112,000</u>	<u>130,251</u>
	<u><u>112,000</u></u>	<u><u>130,251</u></u>

**8 Investment income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	98	-
	<u>98</u>	<u>-</u>
	<u><u>98</u></u>	<u><u>-</u></u>

**9 Finance costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	113,417	99,120
<b>Other finance costs:</b>		
Other interest	-	198
	<u>-</u>	<u>198</u>
Total finance costs	<u>113,417</u>	<u>99,318</u>
	<u><u>113,417</u></u>	<u><u>99,318</u></u>

**10 Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,473	(335,982)
	<u>3,473</u>	<u>(335,982)</u>
	<u><u>3,473</u></u>	<u><u>(335,982)</u></u>

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**10 Taxation**

**(Continued)**

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit/(loss) before taxation	135,526	(1,935,926)
	<u>          </u>	<u>          </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	25,750	(367,826)
Tax effect of expenses that are not deductible in determining taxable profit	6,509	10,026
Group relief	(31,384)	-
Differences in tax rates	2,598	56,299
Research & development tax relief	-	(34,481)
	<u>          </u>	<u>          </u>
Taxation charge/(credit)	3,473	(335,982)
	<u>          </u>	<u>          </u>

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred tax arising on:		
Revaluation of property	123,109	(137,815)
	<u>          </u>	<u>          </u>

**11 Dividends**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Final proposed	84,280	84,280
Interim paid	84,280	84,280
	<u>          </u>	<u>          </u>
	168,560	168,560
	<u>          </u>	<u>          </u>

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**12 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>	<b>Development Costs</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2019	2,330	-	-
Additions	-	210,691	210,691
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2019	-	210,691	210,691
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation and impairment</b>			
At 1 January 2019 and 31 December 2019	2,330	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 December 2019	-	210,691	210,691
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2018	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**13 Property, plant and equipment**

Group	Freehold buildings	Leasehold buildings	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
At 1 January 2019	13,040,815	616,089	759,050	2,527,516	905,092	144,716	17,993,278
Additions	154,438	-	23,727	92,175	17,458	15,800	303,598
Disposals	-	-	-	-	-	(5,300)	(5,300)
At 31 December 2019	13,195,253	616,089	782,777	2,619,691	922,550	155,216	18,291,576
<b>Depreciation and impairment</b>							
At 1 January 2019	250,580	206,543	390,866	2,127,721	811,995	103,209	3,890,914
Depreciation charged in the year	62,645	37,538	70,375	144,313	38,465	14,315	367,651
Eliminated in respect of disposals	-	-	-	-	-	(2,398)	(2,398)
At 31 December 2019	313,225	244,081	461,241	2,272,034	850,460	115,126	4,256,167
<b>Carrying amount</b>							
At 31 December 2019	12,882,028	372,008	321,536	347,657	72,090	40,090	14,035,409
At 31 December 2018	12,790,235	409,546	368,186	399,795	93,095	41,507	14,102,364

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**13 Property, plant and equipment**

**(Continued)**

Freehold land and buildings includes four properties at their current value at the balance sheet date, one of which is owned by Titan Entertainment Group Limited (see below for further details) and the other three are owned by Forbidden Planet Limited.

The Coventry property owned by Forbidden Planet Limited was valued at £355,000 in February 2015 by Edward Symmons LLP, a firm of independent Chartered Surveyors.

The Liverpool property owned by Forbidden Planet Limited was valued at £500,000 in May 2016 by Lambert Smith Hampton, another firm of independent Chartered Surveyors.

The Cambridge freehold property owned by Forbidden Planet Limited was valued at £1,380,000 in April 2018 by Savills (UK) Limited, a firm of independent Chartered Surveyors

The three freehold properties owned by Forbidden Planet Limited were valued at their open market value for existing use in accordance with Section 17, Property, Plant and Equipment of FRS 102.

Company	Freehold buildings	Plant and fixtures, fittings & machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 2019	10,255,400	102,195	2,171,727	12,650,238
Additions	100,203	-	92,175	208,178
Disposals	-	-	(5,300)	(5,300)
At 31 December 2019	10,355,603	102,195	2,263,902	12,853,116
<b>Depreciation and impairment</b>				
At 1 January 2019	250,580	102,195	1,771,933	2,204,116
Depreciation charged in the year	62,645	-	144,313	221,273
Eliminated in respect of disposals	-	-	(2,398)	(2,398)
At 31 December 2019	313,225	102,195	1,916,246	2,422,991
<b>Carrying amount</b>				
At 31 December 2019	10,042,378	-	347,656	10,430,125
At 31 December 2018	10,004,820	-	399,794	10,446,122

The company's freehold property in London was revalued at £8,500,000, it's open market value for existing use, in accordance with Section 17, Property, Plant and Equipment of FRS 102 in March 2018 by Savills (UK) Limited, a firm of independent Chartered Surveyors.



**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**13 Property, plant and equipment**

**(Continued)**

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost	4,942,992	4,788,554	2,618,313	2,518,110
Accumulated depreciation	313,225	250,580	313,225	250,580
Carrying value	<u>4,629,767</u>	<u>4,537,974</u>	<u>2,305,088</u>	<u>2,267,530</u>

**14 Fixed asset investments**

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investments in subsidiaries	15	-	-	1,201	1,201

**Movements in non-current investments**

**Company**

**Shares in group undertakings**

**£**

**Cost or valuation**

At 1 January 2019 and 31 December 2019

1,201

**Carrying amount**

At 31 December 2019

1,201

At 31 December 2018

1,201

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**15 Subsidiaries**

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Forbidden Planet (England) Limited	England & Wales	Dormant	Ordinary	1.00	99.00
Forbidden Planet (UK) Limited	England & Wales	Dormant	Ordinary	100.00	0
Forbidden Planet Limited	England & Wales	Retailing entertainment merchandise and books	Ordinary	100.00	0
Titan Publishing Group Limited	England & Wales	Book, magazine and comic publishing and merchandise sales	Ordinary	100.00	0

**16 Inventories**

	Group 2019 £	2018 £	Company 2019 £	2018 £
Work in progress	572,113	798,284	-	-
Finished goods and goods for resale	3,239,540	4,219,115	-	-
	<u>3,811,653</u>	<u>5,017,399</u>	<u>-</u>	<u>-</u>

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**17 Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade receivables	3,196,219	3,868,555	-	-
Amounts owed by group undertakings	-	-	3,909,396	2,237,977
Other receivables	297,001	193,338	199,632	36,340
Prepayments and accrued income	1,348,798	1,404,722	204,778	239,127
	<u>4,842,018</u>	<u>5,466,615</u>	<u>4,313,806</u>	<u>2,513,444</u>
	<u><u>4,842,018</u></u>	<u><u>5,466,615</u></u>	<u><u>4,313,806</u></u>	<u><u>2,513,444</u></u>
<b>Amounts falling due after more than one year:</b>				
Deferred tax asset (note 22)	323,980	317,957	-	-
	<u>323,980</u>	<u>317,957</u>	<u>-</u>	<u>-</u>
	<u><u>323,980</u></u>	<u><u>317,957</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Total debtors</b>	<u>5,165,998</u>	<u>5,784,572</u>	<u>4,313,806</u>	<u>2,513,444</u>
	<u><u>5,165,998</u></u>	<u><u>5,784,572</u></u>	<u><u>4,313,806</u></u>	<u><u>2,513,444</u></u>

**18 Current liabilities**

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>20</b>	5,661,199	5,618,588	3,620,980	2,279,712
Trade payables		4,400,861	5,078,002	196,200	187,770
Amounts owed to group undertakings		-	-	1,504,506	511,929
Other taxation and social security		375,224	359,069	56,954	49,902
Other payables		764,695	1,009,130	181,075	444,034
Accruals and deferred income		661,465	637,863	26,814	26,201
		<u>11,863,444</u>	<u>12,702,652</u>	<u>5,586,529</u>	<u>3,499,548</u>
		<u><u>11,863,444</u></u>	<u><u>12,702,652</u></u>	<u><u>5,586,529</u></u>	<u><u>3,499,548</u></u>

**19 Non-current liabilities**

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>20</b>	1,349,178	1,585,040	1,349,178	1,585,040
		<u>1,349,178</u>	<u>1,585,040</u>	<u>1,349,178</u>	<u>1,585,040</u>
		<u><u>1,349,178</u></u>	<u><u>1,585,040</u></u>	<u><u>1,349,178</u></u>	<u><u>1,585,040</u></u>

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**19 Non-current liabilities (Continued)**

Amounts included above which fall due after five years are as follows:

Payable by instalments	475,333	621,747	475,333	621,747
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**20 Borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	1,580,178	1,816,040	1,580,178	1,816,040
Bank overdrafts	5,430,199	5,387,588	3,389,980	2,048,712
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	7,010,377	7,203,628	4,970,158	3,864,752
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Payable within one year	5,661,199	5,618,588	3,620,980	2,279,712
Payable after one year	1,349,178	1,585,040	1,349,178	1,585,040
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company's indebtedness to the bank is subject to an unlimited cross-company guarantee from subsidiary companies, Titan Publishing Group Limited and Forbidden Planet Limited.

The bank overdrafts are secured by a charge over the freehold properties owned by Titan Entertainment Group Limited and Forbidden Planet Limited.

In November 2020, NatWest provided a loan of £1.45m to Titan Entertainment Group Limited to refinance the indebtedness to the bank in respect of the loans taken out by the company in earlier years. The new loan is secured over the freehold properties owned by Titan Entertainment Group Limited and Forbidden Planet Limited and repayable over 20 years in monthly instalments starting in December 2021. Interest is charged at 2.6% above base rate.

**21 Provisions for liabilities**

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Dilapidation costs		94,742	83,491	-	-
Deferred tax liabilities	<b>22</b>	1,433,152	1,300,187	1,307,165	1,189,205
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		1,527,894	1,383,678	1,307,165	1,189,205
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**21 Provisions for liabilities**

**(Continued)**

Movements on provisions apart from deferred tax liabilities:

	<b>Dilapidation costs £</b>
<b>Group</b>	
At 1 January 2019	83,491
Additional provisions in the year	11,251
	<hr/>
At 31 December 2019	94,742
	<hr/> <hr/>

**22 Deferred taxation**

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Liabilities 2019 £</b>	<b>Liabilities 2018 £</b>	<b>Assets 2019 £</b>	<b>Assets 2018 £</b>
<b>Group</b>				
Accelerated capital allowances	102,645	91,924	-	-
Tax losses	-	-	323,980	317,957
Revaluations	1,331,372	1,208,263	-	-
Other short term timing differences	(865)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,433,152	1,300,187	323,980	317,957
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Liabilities 2019 £</b>	<b>Liabilities 2018 £</b>	<b>Assets 2019 £</b>	<b>Assets 2018 £</b>
<b>Company</b>				
Accelerated capital allowances	24,711	24,711	-	-
Revaluations	1,282,454	1,164,494	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,307,165	1,189,205	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**22 Deferred taxation (Continued)**

	<b>Group 2019 £</b>	<b>Company 2019 £</b>
<b>Movements in the year:</b>		
Liability at 1 January 2019	982,230	1,189,205
Charge to profit or loss	3,833	-
Charge to other comprehensive income	123,109	117,960
	<u>1,109,172</u>	<u>1,307,165</u>
Liability at 31 December 2019	<u>1,109,172</u>	<u>1,307,165</u>

**23 Retirement benefit schemes**

	<b>2019 £</b>	<b>2018 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	153,749	144,593
	<u>153,749</u>	<u>144,593</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**24 Share capital**

	<b>Group and company 2019 £</b>	<b>2018 £</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,204 Ordinary shares of £1 each	1,204	1,204
	<u>1,204</u>	<u>1,204</u>

**25 Financial commitments, guarantees and contingent liabilities**

The company has guaranteed the bank indebtedness of subsidiary companies, Titan Publishing Group Limited and Forbidden Planet Limited. The cross-company guarantee is unlimited.

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**26 Operating lease commitments**

**Lessee**

The group leases property under operating leases.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	471,550	471,550	-	-
Between two and five years	1,821,836	1,850,836	-	-
In over five years	1,270,903	1,712,153	-	-
	<u>3,564,289</u>	<u>4,034,539</u>	<u>-</u>	<u>-</u>

**27 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Acquisition of property, plant and equipment	65,475	-	65,475	-
	<u>65,475</u>	<u>-</u>	<u>65,475</u>	<u>-</u>

**28 Events after the reporting date**

*Coronavirus*

On 11 March 2020, the World Health Organisation declared that Coronavirus was a global pandemic and on 23 March 2020, unprecedented restrictions were imposed on the movement of people and the ability of businesses to trade in the United Kingdom in an attempt to limit the spread of the virus.

The directors have considered the potential impact this may have on future operations as outlined in note 1.3 and will continue to closely monitor the impact of the Coronavirus outbreak on the business activities of the group.

*Coronavirus Business Interruption Loan Scheme*

In November 2020, NatWest provided Titan Entertainment Group Limited with loans amounting to £2.3m under the Coronavirus Business Interruption Loan Scheme for general business purposes.

**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**29 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	324,345	342,128
	<u>          </u>	<u>          </u>

**30 Directors' transactions**

At the year-end, the group owed £730,889 (2018 - £979,237) to its directors.

**31 Cash generated from group operations**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year after tax	132,053	(1,599,944)
Adjustments for:		
Taxation charged/(credited)	3,473	(335,982)
Finance costs	113,417	99,318
Investment income	(98)	-
Loss on disposal of property, plant and equipment	852	-
Depreciation and impairment of property, plant and equipment	367,651	444,520
Increase/(decrease) in provisions	11,251	(10,396)
Movements in working capital:		
Decrease in inventories	1,205,746	979,644
Decrease in trade and other receivables	624,597	782,555
(Decrease) in trade and other payables	(881,819)	(468,820)
<b>Cash generated from/(absorbed by) operations</b>	<u>1,577,123</u>	<u>(109,105)</u>



**TITAN ENTERTAINMENT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**32 Cash generated from operations - company**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	135,235	139,982
Adjustments for:		
Taxation charged	44,765	8,373
Finance costs	113,417	99,120
Investment income	-	(140,000)
Loss on disposal of property, plant and equipment	852	-
Depreciation and impairment of property, plant and equipment	221,273	265,448
Movements in working capital:		
(Increase) in trade and other receivables	(1,800,362)	(1,626,635)
Increase in trade and other payables	745,713	736,133
<b>Cash absorbed by operations</b>	<b>(539,107)</b>	<b>(517,579)</b>

**33 Analysis of changes in net debt - group**

	<b>1 January 2019</b>	<b>Cash flows</b>	<b>31 December 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	3,846,509	590,114	4,436,623
Bank overdrafts	(5,387,588)	(42,611)	(5,430,199)
	(1,541,079)	547,503	(993,576)
Borrowings excluding overdrafts	(1,816,040)	235,862	(1,580,178)
	(3,357,119)	783,365	(2,573,754)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.