

Spun gold TV (SPV4) Ltd
11694996

REGISTERED NUMBER: 05126512 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019
FOR
SPUN GOLD TV LIMITED

Malthouse & Company Chartered Accountants
and Statutory Auditors
America House, Rumford Court
Rumford Place
Liverpool
Merseyside
L3 9DD



SPUN GOLD TV LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2019

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SPUN GOLD TV LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2019

DIRECTOR: N.F. Bullen

SECRETARY: Mrs Z Bullen

REGISTERED OFFICE: America House
Rumford Court
Rumford Place
Liverpool
Merseyside
L3 9DD

REGISTERED NUMBER: 05126512 (England and Wales)

AUDITORS: Malthouse & Company Chartered Accountants
and Statutory Auditors
America House, Rumford Court
Rumford Place
Liverpool
Merseyside
L3 9DD

SPUN GOLD TV LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The director presents his strategic report of the company and the group for the year ended 30 September 2019.

REVIEW OF BUSINESS

The principal activity of the company and the group continues to be that of production and distribution of television programmes.

Key financial and other performance indicators for the group are as follows:

	2019	2018
Turnover	£14,452,717	£15,508,655
Gross margin	22.3%	19.1%
EBITDA	£868,290	£779,180
Production loans	£2,302,218	£3,600,170
Retained earnings	(£545,607)	(£431,953)

It's been a strong year for the group with turnover down slightly on the previous year, but with substantially improved gross margin and EBITDA.

Depending on which broadcaster is involved, some productions are cash-flowed with a loan facility until such time as the customer pays for the production on delivery. This is common industry practice.

The commercial environment in which the group operates remains competitive with constant pressure on margins. Much effort has been put into diversifying the client base, particularly targeting foreign clients, and targeting new platforms and income streams. This is starting to pay off. As one of the leading independent television producers and an established name in the industry, the director believes the group will be able to maintain its strong trading position.

SPUN GOLD TV LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks from the group's principal activity arise from:

Programme risk

The group invests in the creative pipeline to mitigate the risk that it fails to produce a sufficient number of successful programmes.

Rights, ownership and exploitation risk

The group continues to focus on protecting and exploiting existing rights and future rights.

People risk

Failure to attract, develop and retain key talent is addressed by investment in key staff through EMI options and otherwise.

Commercial relationships

The group benefits from close commercial relationships with a number of key clients and suppliers. The loss of any of these key clients or suppliers, or a significant worsening in commercial terms could have a detrimental effect on the group's results. In order to minimise this risk, the group recognises the need to devote significant resources to supporting these relationships in order to ensure that they continue to operate satisfactorily.

Competitor risk

The group operates in a highly competitive market. Significant competition could adversely affect the operating results. To mitigate this risk the group has a policy of continually monitoring and reviewing its cost base to ensure that it remains competitive.

Litigation and investigations risk

The group is subject to a broad range of laws, regulations and standards. Non compliance with any of these laws, regulations and standards could significantly damage the reputation and performance of the group. Rigorous quality control procedures are implemented and performed by the group on each contract in order to ensure that any such risks are minimised.

Credit risk

The group derives a significant proportion of its revenue from sales to large television channels. The failure of any such customer to honour its debts or refuse to commission further programmes could materially impact on the group's own working capital. Credit control procedures are in place that constantly monitor debtor balances and the group's cashflow position in order to flag up any likely problems before they arise.

Solvency and liquidity risk

The group has net current liabilities and continually monitors and reviews the position to ensure it continues to meet its liabilities on time and in full.

Going concern

The group is reliant on the continuation of bank finance. Strong performance and a solid relationship with its bank help mitigate this risk. Further information on bank funding is disclosed in Note 2 to the financial statements. The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review and Future Developments sections of this report.

SPUN GOLD TV LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

FUTURE DEVELOPMENTS

Despite the impact of the COVID-19 outbreak, the future prospects and post balance sheet events are encouraging. The pandemic has undoubtedly had an impact on the trading of the group, however the director is confident that the group is in a good position to manage profitable commissions moving forward.

There have already been many new commissions post year-end, across a diverse range of broadcasters including the UK terrestrial broadcasters, SVOD and several US clients. The group continues to pursue new opportunities.

The director is putting in place substantial measures to improve the gross margin on a long term basis by continuing to control productions costs and with a particular emphasis on maximising revenue from intellectual property.

Overall, the group is committed to achieving and maintaining a strong performance moving forward. The group aims to continue and enhance its reputation as one of the best independent production companies in the country by producing innovative and highly rated television programs for the benefit of its shareholders. The director believes that the group is well placed to manage its business risks successfully.

ON BEHALF OF THE BOARD:



N.F. Bullen - Director

22 September 2020

SPUN GOLD TV LIMITED
REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The director presents his report with the financial statements of the company and the group for the year ended 30 September 2019.

DIVIDENDS

Interim dividends per share on the 'A' Ordinary £0.01 shares were paid as follows:

£3.05	- 28 June 2019
£0.91	- 30 September 2019
<hr/>	
£3.96	
<hr/>	

The director recommends that no final dividend be paid on these shares.

No interim dividend was paid on the 'B' Ordinary £0.01 shares. The director recommends that no final dividend be paid on these shares.

No interim dividend was paid on the 'C' Ordinary £0.01 shares. The director recommends that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 30 September 2019 will be £440,000.

FUTURE DEVELOPMENTS

Future developments are addressed in the Strategic Report.

DIRECTOR

N.F. Bullen held office during the whole of the period from 1 October 2018 to the date of this report.

SPUN GOLD TV LIMITED
REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2019

GOING CONCERN

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Review.

As highlighted in note 2, the group meets its day to day cashflow requirements with the support of bank loans. Depending on which broadcaster is involved some television programmes are cash-flowed with a loan facility until such time as the customer pays for the productions on delivery. Production bank loans are in place in the group companies which are producing the relevant programmes.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within that facility. Management accounts show continuing profitability in the new period albeit on a reduced level to that originally forecast.

The director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

Since year end the group has also had to deal with the added restrictions and the impact on operations with the presence of the COVID-19 outbreak.

The group updated the schedules of some of the productions so that activities could continue whilst some of the initial restrictions were in place. In more recent weeks production has stepped up again and the group is now operating on a much larger scale.

The productivity of the group has been affected, but the director considers the group to have maintained its position very well and it continues to attract new business resulting in an exciting production schedule going forward.

DISCLOSURE IN THE STRATEGIC REPORT

The group's exposure to credit risk and solvency and liquidity risk is disclosed in the Strategic Report. The group's exposure to price risk and cash flow risk is addressed in the Strategic Report under the headings "Commercial relationship risk", "Competitor risk", "Solvency and liquidity risk", and "Going concern risk".

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

SPUN GOLD TV LIMITED

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2019

STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Malthouse & Company Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



N.F. Bullen - Director

22 September 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SPUN GOLD TV LIMITED

Qualified opinion

We have audited the financial statements of Spun Gold TV Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 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 qualified opinion

There is £2,314,130 due from the director to the parent company and this amount is included within debtors on the parent's and group's balance sheets. Debtors on both balance sheets also include £522,903 tax charged in respect of the loan under section 455 Corporation Tax Act 2010, which is recoverable only when the loan is repaid. The audit evidence available to us about the director's plan to repay this balance was limited, and consequently we were unable to determine whether any adjustments to these amounts were necessary.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 qualified opinion.

Material uncertainty relating to going concern

At 30 September 2019 net current liabilities in the group and parent company respectively were £1,483,964 and £1,524,294. The position would be exacerbated should adjustments be necessary in respect of the matters set out in the first paragraph of the Basis for qualified opinion section. These conditions as well as the matters disclosed in note 2 about the group's continuing reliance on bank funding, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in this respect.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SPUN GOLD TV LIMITED

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director 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 Group Strategic Report or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on pages six and seven, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SPUN GOLD TV LIMITED

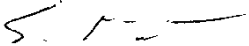
Auditors' responsibilities for the audit of the financial statements

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

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

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 a Report of the Auditors 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.


Samuel Evans BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Malthouse & Company Chartered Accountants
and Statutory Auditors
America House, Rumford Court
Rumford Place
Liverpool
Merseyside
L3 9DD

Date: 27-09-2020

SPUN GOLD TV LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	30.9.19 £	30.9.18 £
TURNOVER		14,452,717	15,508,655
Cost of sales		11,223,199	12,548,876
GROSS PROFIT		3,229,518	2,959,779
Administrative expenses		2,552,705	2,375,473
OPERATING PROFIT	4	676,813	584,306
Interest receivable and similar income		58,583	55,983
		735,396	640,289
Interest payable and similar expenses	5	172,937	65,443
PROFIT BEFORE TAXATION		562,459	574,846
Tax on profit	6*	148,112	127,298
PROFIT FOR THE FINANCIAL YEAR		414,347	447,548
Profit attributable to:			
Owners of the parent		326,346	447,548
Non-controlling interests		88,001	-
		414,347	447,548

The notes form part of these financial statements

SPUN GOLD TV LIMITED

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Notes	30.9.19 £	30.9.18 £
PROFIT FOR THE YEAR	414,347	447,548
OTHER COMPREHENSIVE INCOME		
Fair value adjustment	495,459	323,755
Income tax relating to other comprehensive income	<u>(94,137)</u>	<u>(61,513)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>401,322</u>	<u>262,242</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>815,669</u></u>	<u><u>709,790</u></u>
Total comprehensive income attributable to: Owners of the parent	<u><u>815,669</u></u>	<u><u>709,790</u></u>

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The notes form part of these financial statements

SPUN GOLD TV LIMITED (REGISTERED NUMBER: 05126512)

CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2019

	Notes	30.9.19 £	30.9.18 £
FIXED ASSETS			
Intangible assets	10	330,181	399,694
Tangible assets	11	738,952	647,304
Investments	12	819,280	323,821
		<u>1,888,413</u>	<u>1,370,819</u>
CURRENT ASSETS			
Stocks	13	-	14,759
Debtors: amounts falling due within one year	14	5,972,234	5,763,419
Debtors: amounts falling due after more than one year	14	522,903	658,856
Cash at bank and in hand		7,897	332,977
		<u>6,503,034</u>	<u>6,770,011</u>
CREDITORS			
Amounts falling due within one year	15	7,986,998	8,188,654
NET CURRENT LIABILITIES		<u>(1,483,964)</u>	<u>(1,418,643)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		404,449	(47,824)
CREDITORS			
Amounts falling due after more than one year	16	(1,912)	(15,576)
PROVISIONS FOR LIABILITIES	20	<u>(176,856)</u>	<u>(88,686)</u>
NET ASSETS/(LIABILITIES)		<u>225,681</u>	<u>(152,086)</u>

The notes form part of these financial statements

SPUN GOLD TV LIMITED (REGISTERED NUMBER: 05126512)

CONSOLIDATED BALANCE SHEET - continued
30 SEPTEMBER 2019

	Notes	30.9.19 £	£	30.9.18 £	£
CAPITAL AND RESERVES					
Called up share capital	21		1,128		1,128
Share premium	22		8,316		8,316
Share based payment reserve	22		10,279		8,181
Fair value reserve	22		663,564		262,242
Retained earnings	22		(545,607)		(431,953)
SHAREHOLDERS' FUNDS			137,680		(152,086)
NON-CONTROLLING INTERESTS	23		88,001		-
TOTAL EQUITY			225,681		(152,086)

The financial statements were approved by the director and authorised for issue on 22 September 2020 and were signed by:



N.F. Bullen - Director

The notes form part of these financial statements

SPUN GOLD TV LIMITED (REGISTERED NUMBER: 05126512)

COMPANY BALANCE SHEET
30 SEPTEMBER 2019

	Notes	30.9.19 £	30.9.18 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	738,952	647,304
Investments	12	1,653,485	1,157,971
		<u>2,392,437</u>	<u>1,805,275</u>
CURRENT ASSETS			
Stocks	13	-	14,759
Debtors: amounts falling due within one year	14	5,081,689	5,611,998
Debtors: amounts falling due after more than one year	14	522,903	658,856
Cash at bank and in hand		7,897	332,848
		<u>5,612,489</u>	<u>6,618,461</u>
CREDITORS			
Amounts falling due within one year	15	7,136,783	8,036,531
NET CURRENT LIABILITIES		<u>(1,524,294)</u>	<u>(1,418,070)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		868,143	387,205
CREDITORS			
Amounts falling due after more than one year	16	(1,912)	(15,576)
PROVISIONS FOR LIABILITIES	20	(176,856)	(88,686)
NET ASSETS		<u>689,375</u>	<u>282,943</u>
CAPITAL AND RESERVES			
Called up share capital	21	1,128	1,128
Share premium	22	8,316	8,316
Share based payment reserve	22	10,279	8,181
Fair value reserve	22	663,564	262,242
Retained earnings	22	6,088	3,076
SHAREHOLDERS' FUNDS		<u>689,375</u>	<u>282,943</u>
Company's profit for the financial year		<u>393,012</u>	<u>536,300</u>

The notes form part of these financial statements

SPUN GOLD TV LIMITED (REGISTERED NUMBER: 05126512)

COMPANY BALANCE SHEET - continued
30 SEPTEMBER 2019

The financial statements were approved by the director and authorised for issue on 22 September 2020 and were signed by:



N.F. Bullen - Director

The notes form part of these financial statements

SPUN GOLD TV LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital £	Retained earnings £	Share premium £	Share based payment reserve £
Balance at 1 October 2017	1,129	(344,501)	8,316	6,083
Changes in equity				
Dividends	-	(535,000)	-	-
Total comprehensive income	-	447,548	-	-
Share-based payment expense	-	-	-	2,098
Balance at 30 September 2018	1,129	(431,953)	8,316	8,181
Changes in equity				
Dividends	-	(440,000)	-	-
Total comprehensive income	-	326,346	-	-
Share-based payment expense	-	-	-	2,098
Balance at 30 September 2019	1,129	(545,607)	8,316	10,279
	Fair value reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 October 2017	-	(328,973)	-	(328,973)
Changes in equity				
Fair value adjustment	262,242	262,242	-	262,242
Dividends	-	(535,000)	-	(535,000)
Total comprehensive income	-	447,548	-	447,548
Share-based payment expense	-	2,098	-	2,098
Balance at 30 September 2018	262,242	(152,085)	-	(152,085)
Changes in equity				
Increase in share capital	-	-	38,001	38,001
Fair value adjustment	401,322	401,322	-	401,322
Dividends	-	(440,000)	50,000	(390,000)
Total comprehensive income	-	326,346	-	326,346
Share-based payment expense	-	2,098	-	2,098
Balance at 30 September 2019	663,564	137,681	88,001	225,682

The notes form part of these financial statements

SPUN GOLD TV LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 October 2017	1,128	1,776	8,316
Changes in equity			
Dividends	-	(535,000)	-
Total comprehensive income	-	536,300	-
Balance at 30 September 2018	1,128	3,076	8,316
Changes in equity			
Dividends	-	(390,000)	-
Total comprehensive income	-	393,012	-
Balance at 30 September 2019	1,128	6,088	8,316
	Share based payment reserve £	Fair value reserve £	Total equity £
Balance at 1 October 2017	6,083		17,303
Changes in equity			
Fair value adjustment	-	262,242	262,242
Dividends	-	-	(535,000)
Total comprehensive income	-	-	536,300
Share-based payment expense	2,098	-	2,098
Balance at 30 September 2018	8,181	262,242	282,943
Changes in equity			
Fair value adjustment	-	401,322	401,322
Dividends	-	-	(390,000)
Total comprehensive income	-	-	393,012
Share-based payment expense	2,098	-	2,098
Balance at 30 September 2019	10,279	663,564	689,375

The notes form part of these financial statements

SPUN GOLD TV LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	30.9.19 £	30.9.18 £
Cash flows from operating activities			
Cash generated from operations	I	2,183,354	(1,752,136)
Interest paid		(172,937)	(65,443)
Tax paid		(304,775)	-
Net cash from operating activities		<u>1,705,642</u>	<u>(1,817,579)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(213,612)	(290,248)
Purchase of fixed asset investments		-	(66)
Interest received		58,583	55,983
Net cash from investing activities		<u>(155,029)</u>	<u>(234,331)</u>
Cash flows from financing activities			
New loans in year		2,302,218	3,600,170
Loan repayments in year		(3,600,170)	(707,616)
Capital repayments in year		(12,854)	1,551
Amount introduced by directors		594,442	705,000
Amount withdrawn by directors		(859,108)	(799,062)
Equity dividends paid		(440,000)	(535,000)
Net cash from financing activities		<u>(2,015,472)</u>	<u>2,265,043</u>
(Decrease)/increase in cash and cash equivalents		<u>(464,859)</u>	<u>213,133</u>
Cash and cash equivalents at beginning of year	2	<u>332,977</u>	<u>119,844</u>
Cash and cash equivalents at end of year	2	<u><u>(131,882)</u></u>	<u><u>332,977</u></u>

The notes form part of these financial statements

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.9.19	30.9.18
	£	£
Profit before taxation	562,459	574,846
Depreciation charges	191,478	194,873
Loss on disposal of fixed assets	-	5,770
Share-based payment expense	2,098	2,098
Finance costs	172,937	65,443
Finance income	(58,583)	(55,983)
	<u>870,389</u>	<u>787,047</u>
Decrease/(increase) in stocks	14,759	(4,920)
Decrease/(increase) in trade and other debtors	264,133	(2,096,861)
Increase/(decrease) in trade and other creditors	1,034,073	(437,402)
	<u>2,183,354</u>	<u>(1,752,136)</u>
Cash generated from operations	<u><u>2,183,354</u></u>	<u><u>(1,752,136)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2019

	30.9.19	1.10.18
	£	£
Cash and cash equivalents	7,897	332,977
Bank overdrafts	(139,779)	-
	<u>(131,882)</u>	<u>332,977</u>

Year ended 30 September 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	332,977	119,844

The notes form part of these financial statements

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. STATUTORY INFORMATION

Spun Gold TV Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The group meets its day to day cashflow requirements with the support of bank loans. Depending on which broadcaster is involved some television programmes are cash-flowed with a loan facility until such time as the customer pays for the productions on delivery. Production bank loans are in place in the group companies which are producing the relevant programmes.

Cashflow projections show that the group will continue to rely on bank funding for the next 12 months. The loan facility was renewed on 31 August 2016 until further notice. There has been a good relationship with the bank over a number of years and there are no indications to suggest that the bank will not continue to provide ongoing support.

The outbreak of Covid-19 has had an impact on programme schedules, however there have been no cancellations, only delays, and some of the programmes are unaffected and production is continuing as planned. As Covid-19 restrictions ease the delayed productions are recommencing and the group is securing new commissions.

The director has considered the group's forecasts and projections for the forthcoming 12 months and taking account of reasonably possible changes in trading performance, show that the group expects to be able to operate within the current banking facility. Management accounts for the period since the balance sheet show continued profitability albeit on a reduced level to that originally forecast. The director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the parent company and all of its subsidiaries. All subsidiaries have a reporting date of 30 September.

All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses between group companies. Amounts reported in the financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies of the group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition or up to the effective date of disposal, as applicable.

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. ACCOUNTING POLICIES - continued

TURNOVER

Turnover (which excludes VAT) comprises amounts receivable in respect of television production, distribution income and royalty income.

Turnover from production is recognised as the contract progresses to reflect the proportion of work carried out in the period. Turnover from distribution income and royalty advances are accounted for when receivable under the terms of the contract.

GOODWILL

The group applies the acquisition method of accounting for subsidiaries. Goodwill arising on consolidation is initially measurable at cost, which is the excess of the acquisition cost over the identifiable net assets acquired.

Goodwill is amortised on a systematic basis over its estimated useful life, which shall not exceed 10 years. Goodwill is assessed for indications of impairment at each reporting date.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line
Improvements to property	- 10% straight line or over the lease term, whichever is shorter
Plant and machinery	- 25% straight line
Motor vehicles	- 33% straight line

WORK IN PROGRESS

Development costs incurred prior to a programme being commissioned are carried as work in progress in the balance sheet to the extent that they relate to a clearly defined project, there is a reasonable expectation that the project will proceed to production, and there is reasonable certainty as to its success and commercial viability.

Amounts recoverable on contracts

Turnover recognised in the income statement but not yet invoiced is shown as amounts recoverable on contracts within debtors. Amounts invoiced but not yet recognised as turnover is classified as accruals and deferred income within creditors.

Full provision is made for all losses on contracts in the period in which they are first foreseen.

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. **ACCOUNTING POLICIES - continued**

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Taxation under section 455 Corporation Tax Act 2010

Taxation arising under section 455 Corporation Tax Act 2010 on the overdrawn director's loan account is recoverable on repayment of the loan. It is recognised as a debtor and does not form part of the taxation charge for the year in the Income Statement.

HIRE PURCHASE AND LEASING COMMITMENTS

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

FIXED ASSET INVESTMENTS

Unlisted investments are held at fair value. The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. ACCOUNTING POLICIES - continued

SHARE-BASED EMPLOYEE REMUNERATION

Where employees are rewarded using share-based payments, the fair value of employees' services is determined by reference to the fair value at the grant date of the equity instruments granted.

All share-based remuneration is recognised as an expense in the profit and loss account with the corresponding credit to share-based payment reserve. If vesting periods or other vesting conditions apply the expense is allocated over the vesting period.

Upon exercise of share options, the net proceeds received are allocated to share capital up to the nominal value of the shares issued with any excess being recorded as share premium.

RETIREMENT BENEFITS

The group operates a defined contribution pension scheme. Pensions payable to the scheme are charged in the profit and loss account in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	30.9.19	30.9.18
	£	£
Wages and salaries	2,317,610	2,377,844
National insurance	260,526	268,496
Pensions	54,682	31,721
	<u>2,632,818</u>	<u>2,646,340</u>
Average monthly number of staff including freelance workers:	30.9.19	30.9.18
Directors	2	1
Administration	16	17
Production	35	40
	<u>53</u>	<u>58</u>
Director's remuneration	30.9.19	30.9.18
	£	£
	<u>4,314</u>	<u>-</u>

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.9.19	30.9.18
	£	£
Depreciation - owned assets	117,285	110,643
Depreciation - assets on hire purchase contracts	4,679	14,717
Loss on disposal of fixed assets	-	5,770
Goodwill amortisation	69,513	69,513
Auditors' remuneration	19,250	15,550
Foreign exchange differences	7,841	769
Payments under operating leases	295,535	271,104
Auditor's remuneration for non-audit work	12,818	15,476
	<u>1,037,906</u>	<u>1,007,542</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.9.19	30.9.18
	£	£
Bank interest	171,245	55,932
Interest on leases	1,692	9,511
	<u>172,937</u>	<u>65,443</u>

6. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	30.9.19	30.9.18
	£	£
Current tax:		
UK corporation tax	154,078	114,056
Deferred tax	(5,966)	13,242
Tax on profit	<u>148,112</u>	<u>127,298</u>

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

6. **TAXATION - continued**

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.9.19 £	30.9.18 £
Profit before tax	<u>562,459</u>	<u>574,846</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	106,867	109,221
Effects of:		
Expenses not deductible for tax purposes	38,474	6,406
Capital allowances in excess of depreciation	-	(1,571)
Depreciation in excess of capital allowances	8,738	-
Deferred tax and other fair value adjustments	<u>(5,967)</u>	<u>13,242</u>
Total tax charge	<u>148,112</u>	<u>127,298</u>

Tax effects relating to effects of other comprehensive income

	30.9.19 Gross £	30.9.19 Tax £	30.9.18 Net £
Fair value adjustment	<u>495,459</u>	<u>(94,137)</u>	<u>401,322</u>
	30.9.18 Gross £	30.9.18 Tax £	30.9.18 Net £
Fair value adjustment	<u>323,755</u>	<u>(61,513)</u>	<u>262,242</u>

7. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

The parent company's profit for the financial year was £393,012 (2018: £536,300).

8. **DIVIDENDS**

	30.9.19 £	30.9.18 £
'A' Ordinary shares of £0.01 each		
Interim	<u>440,000</u>	<u>535,000</u>

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. GROUP COMPOSITION

Name of subsidiary	Country of incorporation	Company number	Principal activity	Ownership at year end	
				2019	2018
Handsala Limited	England and Wales	06488529	Television production & distribution	100%	100%
Spun Gold TV (SPV1) Limited	England and Wales	11663256	Television production & distribution	100%	N/A
Spun Gold TV (SPV2) Limited	England and Wales	11663410	Television production & distribution	100%	N/A
Spun Gold TV (SPV3) Limited	England and Wales	11663472	Television production & distribution	100%	N/A
Spun Gold TV (SPV4) Limited	England and Wales	11694996	Television production & distribution	100%	N/A
Spun Gold TV (SPV5) Limited	England and Wales	08217884	Television production & distribution	100%	100%
Penny Lane Entertainment Limited	England and Wales	11604336	Television production & distribution	51%	N/A
Penny Lane Entertainment (SPV6) Limited	England and Wales	11760874	Television production & distribution	51%	N/A

All eight subsidiary companies are entitled to exemption from audit for the year ended 30 September 2019 by virtue of S479A of the Companies Act 2006. Spun Gold TV Limited has provided a guarantee to each company under section 479C of the Companies Act 2006 for that year. The members have not required any of the companies to obtain an audit for the year ended 30 September 2019 in accordance with section 476 of the Companies Act 2006.

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

10. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 October 2018
and 30 September 2019

834,150

AMORTISATION

At 1 October 2018
Amortisation for year

434,456
69,513

At 30 September 2019

503,969

NET BOOK VALUE

At 30 September 2019

330,181

At 30 September 2018

399,694

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST					
At 1 October 2018	125,000	563,061	225,597	48,865	962,523
Additions	-	189,974	23,638	-	213,612
At 30 September 2019	125,000	753,035	249,235	48,865	1,176,135
DEPRECIATION					
At 1 October 2018	15,000	185,179	71,761	43,279	315,219
Charge for year	2,500	61,849	53,122	4,493	121,964
At 30 September 2019	17,500	247,028	124,883	47,772	437,183
NET BOOK VALUE					
At 30 September 2019	107,500	506,007	124,352	1,093	738,952
At 30 September 2018	110,000	377,882	153,836	5,586	647,304

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 October 2018 and 30 September 2019	12,750	39,767	52,517
DEPRECIATION			
At 1 October 2018	1,594	38,275	39,869
Charge for year	3,188	1,491	4,679
At 30 September 2019	4,782	39,766	44,548
NET BOOK VALUE			
At 30 September 2019	7,968	1	7,969
At 30 September 2018	11,156	1,492	12,648

Company

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST					
At 1 October 2018	125,000	563,061	225,597	48,865	962,523
Additions	-	189,974	23,638	-	213,612
At 30 September 2019	125,000	753,035	249,235	48,865	1,176,135
DEPRECIATION					
At 1 October 2018	15,000	185,179	71,761	43,279	315,219
Charge for year	2,500	61,849	53,122	4,493	121,964
At 30 September 2019	17,500	247,028	124,883	47,772	437,183
NET BOOK VALUE					
At 30 September 2019	107,500	506,007	124,352	1,093	738,952
At 30 September 2018	110,000	377,882	153,836	5,586	647,304

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. TANGIBLE FIXED ASSETS - continued

Company

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 October 2018			
and 30 September 2019	12,750	39,767	52,517
DEPRECIATION			
At 1 October 2018	1,594	38,275	39,869
Charge for year	3,188	1,491	4,679
At 30 September 2019	4,782	39,766	44,548
NET BOOK VALUE			
At 30 September 2019	7,968	1	7,969
At 30 September 2018	11,156	1,492	12,648

12. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST OR VALUATION	
At 1 October 2018	323,821
Revaluations	495,459
At 30 September 2019	819,280
NET BOOK VALUE	
At 30 September 2019	819,280
At 30 September 2018	323,821

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

12. **FIXED ASSET INVESTMENTS - continued**

Group

Cost or valuation at 30 September 2019 is represented by:

	Unlisted investments £
Valuation in 2019	819,215
Cost	65
	<u>819,280</u>

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1 October 2018	834,151	323,820	1,157,971
Additions	55	-	55
Revaluations	-	495,459	495,459
	<u>834,206</u>	<u>819,279</u>	<u>1,653,485</u>
At 30 September 2019	834,206	819,279	1,653,485
NET BOOK VALUE			
At 30 September 2019	<u>834,206</u>	<u>819,279</u>	<u>1,653,485</u>
At 30 September 2018	<u>834,151</u>	<u>323,820</u>	<u>1,157,971</u>

Cost or valuation at 30 September 2019 is represented by:

	Shares in group undertakings £	Unlisted investments £	Totals £
Valuation in 2019	-	819,214	819,214
Cost	834,206	65	834,271
	<u>834,206</u>	<u>819,279</u>	<u>1,653,485</u>

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

13. STOCKS

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Work-in-progress	-	14,759	-	14,759

14. DEBTORS

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,389,669	428,061	1,370,311	388,985
Amounts owed by group undertakings	-	-	98,207	-
Amounts recoverable on contract	1,830,675	3,067,818	903,556	2,955,473
Other debtors	258,161	65,028	258,013	65,028
Directors' loan accounts	2,356,257	2,091,591	2,314,130	2,091,591
Prepayments	137,472	110,921	137,472	110,921
	<u>5,972,234</u>	<u>5,763,419</u>	<u>5,081,689</u>	<u>5,611,998</u>
Amounts falling due after more than one year:				
Other debtors	<u>522,903</u>	<u>658,856</u>	<u>522,903</u>	<u>658,856</u>
Aggregate amounts	<u>6,495,137</u>	<u>6,422,275</u>	<u>5,604,592</u>	<u>6,270,854</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Bank loans and overdrafts (see note 17)	3,641,997	4,800,170	2,708,793	4,800,170
Hire purchase contracts (see note 18)	13,664	12,854	13,664	12,854
Trade creditors	715,593	411,998	411,669	411,997
Amounts owed to group undertakings	-	-	1,291,038	95,732
Tax	379,645	458,014	119,202	339,542
Social security and other taxes	672,224	292,053	495,582	292,053
Other creditors	713,365	503,775	604,705	462,068
Accruals and deferred income	1,433,772	1,423,361	1,395,942	1,423,361
Accrued expenses	416,738	286,429	96,188	198,754
	<u>7,986,998</u>	<u>8,188,654</u>	<u>7,136,783</u>	<u>8,036,531</u>

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

16. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Hire purchase contracts (see note 18)	<u>1,912</u>	<u>15,576</u>	<u>1,912</u>	<u>15,576</u>

17. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	139,779	-	209,706	-
Bank loans	<u>3,502,218</u>	<u>4,800,170</u>	<u>2,499,087</u>	<u>4,800,170</u>
	<u>3,641,997</u>	<u>4,800,170</u>	<u>2,708,793</u>	<u>4,800,170</u>

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	30.9.19	30.9.18
	£	£
Net obligations repayable:		
Within one year	13,664	12,854
Between one and five years	<u>1,912</u>	<u>15,576</u>
	<u>15,576</u>	<u>28,430</u>

Company

	Hire purchase contracts	
	30.9.19	30.9.18
	£	£
Net obligations repayable:		
Within one year	13,664	12,854
Between one and five years	<u>1,912</u>	<u>15,576</u>
	<u>15,576</u>	<u>28,430</u>

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

18. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	30.9.19	30.9.18
	£	£
Within one year	245,504	295,535
Between one and five years	1,042,875	938,249
In more than five years	-	347,130
	<u>1,288,379</u>	<u>1,580,914</u>

Company

	Non-cancellable operating leases	
	30.9.19	30.9.18
	£	£
Within one year	242,504	295,535
Between one and five years	1,042,875	938,249
In more than five years	-	347,130
	<u>1,285,379</u>	<u>1,580,914</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Bank overdraft	139,779	-	209,706	-
Bank loans	3,502,218	4,800,170	2,499,087	4,800,170
	<u>3,641,997</u>	<u>4,800,170</u>	<u>2,708,793</u>	<u>4,800,170</u>

There is a cross guarantee in the Bank's standard form dated 28 October 2015 between Spun Gold TV Limited and Handsala Limited.

Bank loans are secured by a debenture on the Bank's standard form dated 26 February 2015, and there is also a charge over freehold property dated 24 November 2015.

There is one separate charge over a TV contract given by Spun Gold TV Limited dated 8 September 2017.

There are also three limited personal guarantees given by the director dated 18 March 2015, 2 November 2015, and 10 September 2019.

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Deferred tax	<u>176,856</u>	<u>88,686</u>	<u>176,856</u>	<u>88,686</u>
Group				
				Deferred tax
				£
Balance at 1 October 2018				88,686
Credit to Income Statement during year				(5,967)
On fair value adjustment				<u>94,137</u>
Balance at 30 September 2019				<u>176,856</u>
Company				
				Deferred tax
				£
Balance at 1 October 2018				88,686
Credit to Statement of Comprehensive Income during year				(5,967)
On fair value adjustment				<u>94,137</u>
Balance at 30 September 2019				<u>176,856</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.9.19	30.9.18
Number:	Class:	Nominal value:	£	£
98,400	'A' Ordinary	£0.01	984	984
8,400	'B' Ordinary	£0.01	84	84
6,000	'C' Ordinary	£0.01	60	60
			<u>1,128</u>	<u>1,128</u>

SPUN GOLD TV LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

21. CALLED UP SHARE CAPITAL - continued

'A' Ordinary shares entitle the bearer to vote in meetings, receive dividends and participate in a distribution, including on winding up.

'B' Ordinary shares are non-voting with no rights to dividends. They entitle the bearer to participate in a distribution, including on winding up.

'C' Ordinary shares entitle the bearer to receive dividends and participate in a distribution, including on winding up.

22. RESERVES

Group

	Retained earnings £	Share premium £	Share based payment reserve £	Fair value reserve £	Totals £
At 1 October 2018	(431,953)	8,316	8,181	262,242	(153,214)
Profit for the year	326,346				326,346
Dividends	(440,000)				(440,000)
Fair value adjustment	-	-	-	401,322	401,322
Share-based payment expense	-	-	2,098	-	2,098
At 30 September 2019	<u>(545,607)</u>	<u>8,316</u>	<u>10,279</u>	<u>663,564</u>	<u>136,552</u>

Company

	Retained earnings £	Share premium £	Share based payment reserve £	Fair value reserve £	Totals £
At 1 October 2018	3,076	8,316	8,181	262,242	281,815
Profit for the year	393,012				393,012
Dividends	(390,000)				(390,000)
Fair value adjustment	-	-	-	401,322	401,322
Share-based payment expense	-	-	2,098	-	2,098
At 30 September 2019	<u>6,088</u>	<u>8,316</u>	<u>10,279</u>	<u>663,564</u>	<u>688,247</u>

23. NON-CONTROLLING INTERESTS

Non-controlling interests represents a 51% holding in Penny Lane Entertainment Limited, a private company, limited by shares, registered in England and Wales.

SPUN GOLD TV LIMITED

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24. **DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 30 September 2019 and 30 September 2018:

	30.9.19 £	30.9.18 £
N.F. Bullen		
Balance outstanding at start of year	2,091,591	1,997,529
Amounts advanced	762,539	799,062
Amounts repaid	(540,000)	(705,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>2,314,130</u>	<u>2,091,591</u>

Interest is charged on the overdrawn balance at the rate of 3% per annum.

25. **RELATED PARTY DISCLOSURES**

During the year the group purchased editing services totalling £581,944 (2018: £469,982) from Wise Wolf Limited, a company in which N F Bullen is director and shareholder. The group charged Wise Wolf Limited £nil (2018: £77,172) for the use of its staff, and levied a charge of £94,299 (2018: £78,826) in respect of recharged overheads. At 30 September 2019 the group owed £123,123 (2018: £18,747) to Wise Wolf Limited, which is included within other creditors.

The group also made payments totalling £nil (2018: £10,568) on behalf of My Dilemma.com Limited, a company jointly controlled by N F Bullen and a key employee, D Neumann. The total amount outstanding at the year end and included within other debtors is £25,000 (2018: £25,000).

26. **ULTIMATE CONTROLLING PARTY**

The controlling party is N.F. Bullen.

27. **SHARE-BASED PAYMENT TRANSACTIONS**

At the beginning of the period, and at 30 September 2019, three key employees had options to purchase a total of 14,500 ordinary 1p 'B' shares at a price of £6.38 per share. There were no movements during the year.

The options can be exercised between 3 and 10 years after the date of grant. The expense recognised in the profit and loss for the year ended 30 September 2019 is £2,098 (2018: £2,098).