

BERKELEY INVESTMENT AND MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

BERKELEY INVESTMENT AND MANAGEMENT LIMITED

COMPANY INFORMATION

Director	Rita Petrova
Registered number	08571000
Registered office	7-10 Sovereign Park Industrial Estate Coronation Road Park Royal London NW10 7QP
Independent auditors	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 7-10 Chandos Street London W1G 9DQ
Bankers	Metro Bank Plc One Southampton Row London WC1B 5HA

CONTENTS

	Page
Director's Report	3 - 5
Independent Auditors' Report	6 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10 - 11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 32

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The director presents her report and the financial statements for the year ended 31 December 2019.

Principal activities and review of the business

The principal activity of the Company is the provision of production facilities, technical equipment and trained individuals for television broadcasting and production. The Company's subsidiary in Washington is engaged in the same nature of activities.

Director

The director who served during the year was:

Rita Petrova

On 1 January 2020 Feras Dahlan was appointed as a director. Subsequently, on 19 February 2020 Feras Dahlan resigned as a director.

Results and dividends

The loss for the year, after taxation, amounted to £723,189 (2018 - profit £68,210).

No interim or final dividends were declared for the year ended 31 December 2019.

Principal risk and uncertainties

On 11 March 2020, the World Health Organisation declared the Covid-19 virus to be a global pandemic and the UK Government introduced restrictions in an effort to prevent the virus' spread and limit its longer-term impact. Whilst these restrictions have caused the Company to assess and adapt its working practices to continue to operate without interruption, the Director does not consider that the circumstances have caused any material change to the Company's ability to trade, nor affect its status as a Going Concern.

Future developments

The Company is focusing on sales and its marketing strategy. The idea is to market the brand name 'Berkeley Studios International', providing production services globally and achieve a diversified customer base.

Financial instruments

The Company's principal financial instruments comprise cash balances, other receivables and trade and other payables that arise through the normal course of business as set out in notes to the financial statements. The Company's financial risk management objectives and policies are discussed in note 16.

We have considered and reviewed the provisions included within the Companies Act 2006, relating to the financial risk management objectives and policies of the company.

As part of the review, we have also considered the exposure of the Company to currency risk in order that an overall assessment can be made of the Company's assets, liabilities, its financial position and its results for the period. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Going Concern

The Company generated revenue of £1,608,904 and a loss £723,189 in 2019. The main reasons for the loss is investment in marketing leading to an expense of £388,489 and depreciation of £807,849 charged on right-of-use assets under long term leases as a result of the application of IFRS 16.

The Company has signed a long term contract with a client and also managed to secure contracts with other clients enabling sufficient liquidity headroom against all financial liabilities for a period of at least 12 months from the date of signing of these financial statements.

Consequently, the Director has a reasonable expectation that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as she is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- she has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements, in accordance with applicable law.

Company law requires the director to prepare financial statements for each financial year. Under that law she has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless she either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. She is responsible for such internal control as she determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to her to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Small companies' exemption note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18 December 2020 and signed on its behalf.

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Rita Petrova

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKELEY INVESTMENT AND MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Berkeley Investment and Management Limited for the year ended 31 December 2019 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies set out on pages 14 - 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3.2 to the financial statements concerning the company's ability to continue as a going concern. The company will require further funding from its principal shareholder to meet its financial liabilities as they fall due. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The company financial statements do not include the adjustments that would result if they were unable to continue as a going concern.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKELEY INVESTMENT AND MANAGEMENT LIMITED
(CONTINUED)**

Opinion 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 and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the or the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors

As explained more fully in the director's responsibilities statement on page 5, 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 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 director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERKELEY INVESTMENT AND MANAGEMENT LIMITED
(CONTINUED)

Use of our report

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

Abdultaiyab Pisavadi BSc FCA (Senior Statutory Auditor)

for and on behalf of

Simmons Gainsford LLP

Chartered Accountants

Statutory Auditors

7-10 Chandos Street

London

W1G 9DQ

18 December 2020

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Revenue		1,608,964	-
Cost of sales		(28,301)	-
Gross profit		1,580,663	-
Administrative expenses		(1,794,458)	(656,144)
Loss from operations		(213,795)	(656,144)
Finance expense		(688,794)	-
Loss before tax		(902,589)	(656,144)
Tax credit	6	179,400	724,354
(Loss)/profit for the year		(723,189)	68,210
Total comprehensive income		(723,189)	68,210

All losses are derived from continuing operations.

There is no other comprehensive income or loss for the period.

The notes on pages 12 to 22 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Assets			
Non-current assets			
Property, plant and equipment	7	11,412,645	-
Other non-current investments		781	781
Deferred tax assets	6	903,754	724,354
		<u>12,317,180</u>	<u>725,135</u>
Current assets			
Trade and other receivables	9	905,645	541,327
Cash and cash equivalents	19	3,071	120,009
		<u>908,716</u>	<u>661,336</u>
Total assets		<u>13,225,896</u>	<u>1,386,471</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Liabilities			
Non-current liabilities			
Loans and borrowings	10	14,984,569	-
		<u>14,984,569</u>	<u>-</u>
Current liabilities			
Trade and other liabilities	11	434,905	4,485,228
Loans and borrowings	10	408,573	-
		<u>843,478</u>	<u>4,485,228</u>
Total liabilities		<u>15,828,047</u>	<u>4,485,228</u>
Net liabilities		<u>(2,602,151)</u>	<u>(3,098,757)</u>
Issued capital and reserves			
Share capital	12	35,039,332	35,039,332
Capital contribution		1,219,795	-
Retained earnings		(38,861,278)	(38,138,089)
TOTAL EQUITY		<u>(2,602,151)</u>	<u>(3,098,757)</u>

The financial statements on pages 9 to 32 were approved and authorised for issue by the board of director and were signed on its behalf by:

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Rita Petrova
Director

Date: 18 December 2020

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital	Capital contribution	Retained earnings	Total equity
	£	£	£	£
At 1 January 2019	35,039,332	-	(38,138,089)	(3,098,757)
Comprehensive income for the year				
Loss for the year	-	-	(723,189)	(723,189)
Total comprehensive income for the year	-	-	(723,189)	(723,189)
Contributions by and distributions to owners				
Capital contribution	-	1,219,795	-	1,219,795
Total contributions by and distributions to owners	-	1,219,795	-	1,219,795
At 31 December 2019	<u>35,039,332</u>	<u>1,219,795</u>	<u>(38,861,278)</u>	<u>(2,602,151)</u>

The notes on pages 14 to 20 form part of these financial statements.

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2018	35,039,332	(38,206,299)	(3,166,967)
Comprehensive income for the year			
Profit for the year	-	68,210	68,210
Total comprehensive income for the year	-	68,210	68,210
At 31 December 2018	<u>35,039,332</u>	<u>(38,138,089)</u>	<u>(3,098,757)</u>

The notes on pages 14 to 20 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the year	(723,189)	68,210
Adjustments for		
Depreciation of property, plant and equipment	813,257	-
Finance expense	688,794	-
Income tax expense	(179,400)	(724,354)
	599,462	(656,144)
Movements in working capital:		
Increase in trade and other receivables	(364,318)	(30,628)
Increase in trade and other payables	756,095	4,476,728
Cash generated from operations	991,239	3,789,956
Net cash from operating activities	991,239	3,789,956
Cash flows from investing activities		
Purchases of property, plant and equipment	(108,177)	-
Net cash (used in)/from investing activities	(108,177)	-
Cash flows from financing activities		
Issue of convertible debt	-	(9,387,339)
Payments of finance lease creditors	(311,206)	-
Interest paid on lease liability	(688,794)	-
Net cash used in financing activities	(1,000,000)	(9,387,339)
Net cash decrease in cash and cash equivalents	(116,938)	(5,597,383)
Cash and cash equivalents at the beginning of year	120,009	5,717,392
Cash and cash equivalents at the end of the year	3,071	120,009

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Status and nature of the business

Berkeley Investment and Management ("the Company") is registered as a private company in England and Wales. Its registered address is 7-10 Sovereign Park Industrial Estate, Coronation Road, Park Royal, London, England, NW10 7QP. The principal activity of the company is that of providing production facilities, technical equipment and trained individuals for television broadcasting and production.

2. Functional and presentational currency

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

3. Accounting policies

3.1 Basis of preparation

The company financial statements have been prepared on the historical cost basis. The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

The financial statements present information about the company as an individual undertaking. In accordance with the provision of Financial Reporting Standard No.2 and Section 401 of the Companies Act 2006, the Company has taken advantage of the exemption available to it from the requirement to prepare consolidated financial statements as the ultimate parent undertaking. Kingston Investment Limited, prepares group accounts that include the results of the entity. Consolidated accounts can be obtained from their registered office.

3.2 Going Concern

The financial statements have been prepared on a going concern basis as the company has received written confirmation from its parent undertaking that it will continue to provide financial support to the company for a period of at least 12 months from the date of signing of these financial statements.

The primary objective of the company's capital management is to maintain appropriate levels of funding to meet its commitments and to safeguard the entity's ability to continue as a going concern, so that it can support its business and create shareholder value. At 31 December 2019, the capital employed in the company amounted to (£2,775,513) (comprised of shareholders' equity and intercompany borrowings). The company monitors the capital structure and seeks to adjust this as considered appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.3 New standards, interpretations and amendments effective from 1 January 2019

IFRS 16

The date of initial application of IFRS 16 for the Company is 1 January 2019. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognized right-of-use assets in the consolidated statement of financial position mostly representing its rights to use its office facilities that meet the definition of a lease, and lease liabilities representing its obligations to make lease payment.

Definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration.

Transition

As the leases began on 1 January 2019, no transition adjustments are required.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 5%.

3.4 New standards and interpretations not applied

A number of new standards are effective from 1 January 2020 and earlier application is permitted; however, the company has not early adopted the new or amended standards in preparing financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- IFRS 17 Insurance Contracts
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below.

Revenue from rental income

Revenue from lease agreements, for the use of TV production and broadcasting facilities, and equipment, is recognised across the term of the lease.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) The Company as a lessor

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.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

(ii) The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. As the Company has no borrowings, an average borrowing rate of 5% has been applied.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in the 'Loans and borrowings' line in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 3.7.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.6 Leasing (continued)

(ii) The Company as a lessee (continued)

3.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Fixtures and fittings	3 - 5 years
Right-of-use assets	15 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Accounting policies (continued)

3.8 Financial assets and liabilities

Financial assets and liabilities are recognised when the company becomes party to the contracts that give rise to them and are classified as receivables or as available-for-sale financial assets, as appropriate. The company determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial period-end. When financial assets and liabilities are recognised initially, they are measured at fair value, being the transaction price plus directly attributable transaction costs.

i. Investments

Investments in subsidiaries are measured at cost less impairment.

ii. Financial assets

Trade and other receivables

Trade receivables, which generally have 0-90-day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. A provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

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

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Impairment of financial assets

The company assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

iii. Financial liabilities

Financial liabilities, including trade and other payables, are initially recognised at fair value and subsequently at amortised cost.

iv. Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Accounting policies (continued)

3.9 Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

3.10 Deferred taxation

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the exception that deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

3.11 Significant accounting judgements and estimates

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4. Operating loss

	2019	2018
	£	£
Auditors' remuneration - audit and non-audit services	5,000	5,000
(Profit)/Loss on foreign exchange	22,123	528,760
Depreciation	813,257	-
	<u>840,380</u>	<u>533,760</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Staff costs

	2019 £	2018 £
Employee benefit expenses (including director) comprise:		
Wages and salaries	142,031	14,000
National insurance	9,416	-
Defined contribution pension cost	1,200	-
	<u>152,647</u>	<u>14,000</u>

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the director of the Company listed on page 1.

The monthly average number of persons, including the director, employed by the Company during the year was as follows:

	2019 No.	2018 No.
Employees	<u>2</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Tax expense

6.1 Income tax recognised in profit or loss

	2019 £	2018 £
Current tax		
Deferred tax expense		
Origination and reversal of timing differences	(179,400)	(724,354)
Total deferred tax	(179,400)	(724,354)
	<u>(179,400)</u>	<u>(724,354)</u>
Total tax expense		
Tax expense excluding tax on sale of discontinued operation and share of tax of equity accounted associates and joint ventures	(179,400)	(724,354)
	<u>(179,400)</u>	<u>(724,354)</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2019 £	2018 £
(Loss)/profit for the year	(723,189)	68,210
Income tax credit/expense (including income tax on associate, joint venture and discontinued operation)	(179,400)	(724,354)
Loss before income taxes	(902,589)	(656,144)
Tax using the Company's domestic tax rate of 19% (2018:19%)	(171,492)	(124,667)
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	8,266	-
Capital allowances for the year in excess of depreciation	(19,765)	-
Other timing differences leading to an increase/(decrease) in taxation	(179,400)	(724,354)
Unrelieved tax losses carried forward	182,991	124,667
Total tax expense	<u>(179,400)</u>	<u>(724,354)</u>

6.2 Deferred tax asset

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Tax expense (continued)

6.2 Deferred tax asset (continued)

	2019 £	2018 £
Deferred tax assets	903,754	724,354
	<u>903,754</u>	<u>724,354</u>

	Opening balance £	Recognised in profit or loss £	Closing balance £
2019			
Deferred tax (liabilities)/assets in relation to:			
Tax losses carried forward	(724,354)	(179,400)	(903,754)
	<u>(724,354)</u>	<u>(179,400)</u>	<u>(903,754)</u>

		Recognised in profit or loss £	Closing balance £
2018			
Deferred tax (liabilities)/assets in relation to:			
Tax losses carried forward		(724,354)	(724,354)
		<u>(724,354)</u>	<u>(724,354)</u>

7. Property, plant and equipment

	Fixtures and fittings £	Computer equipment £	Right-of-use assets £	Total £
Cost or valuation				
Additions	3,204	104,973	12,117,725	12,225,902
At 31 December 2019	<u>3,204</u>	<u>104,973</u>	<u>12,117,725</u>	<u>12,225,902</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Property, plant and equipment (continued)

	Fixtures and fittings £	Computer equipment £	Right-of-use assets £	Total £
Accumulated depreciation and impairment				
Charge owned for the year	160	5,248	-	5,408
Charged financed for the year	-	-	807,849	807,849
At 31 December 2019	<u>160</u>	<u>5,248</u>	<u>807,849</u>	<u>813,257</u>
Net book value				
At 1 January 2018	-	-	-	-
At 31 December 2018	-	-	-	-
At 31 December 2019	<u>3,044</u>	<u>99,725</u>	<u>11,309,876</u>	<u>11,412,645</u>

7.1. Assets held under leases

The net book value of owned and leased assets included as "Property, plant and equipment" in the Statement of Financial Position is as follows:

	31 December 2019 £
Property, plant and equipment owned	102,769
Right-of-use assets, excluding investment property	11,309,876
	<u>11,412,645</u>

Information about right-of-use assets is summarised below:

Net book value

	31 December 2019 £
Studio facilities	5,543,241
Equipment	<u>5,766,635</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Property, plant and equipment (continued)

7.1 Assets held under leases (continued)

Depreciation charge for the year ended

	31 December 2019 £
Studio facilities	395,946
Equipment	<u>411,903</u>

Additions to right-of-use assets

	31 December 2019 £
Additions to right-of-use assets	<u>12,117,725</u>

8. Subsidiaries

Details of the Company's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company (%)	
			2019	2018
1) Berkeley Investment and Management Limited	TV production and broadcasting	USA	100	100

1) Berkeley Investment and Management Limited

Berkeley Investment and Management Limited (USA) made a loss of £12,455 for the year ended 31 December 2019, and the aggregate amount of its capital and reserves as at 31st December 2019 was (£342,191).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Trade and other receivables

	2019 £	2018 £
Receivables from related parties	522,298	540,767
Total financial assets other than cash and cash equivalents classified as loans and receivables	<u>522,298</u>	<u>540,767</u>
Prepayments and accrued income	83,925	560
Other receivables	299,422	-
Total trade and other receivables	<u>905,645</u>	<u>541,327</u>
Less: current portion - prepayments and accrued income	(83,925)	(560)
Less: current portion - other receivables	(299,422)	-
Less: current portion - receivables from related parties	(522,298)	(540,767)
Total current portion	<u>(905,645)</u>	<u>(541,327)</u>
Total non-current portion	<u><u>-</u></u>	<u><u>-</u></u>

10. Loans and borrowings

	2019 £	2018 £
Non-current		
Related party loan	3,586,623	-
Lease liabilities	11,397,946	-
	<u>14,984,569</u>	-
Current		
Lease liabilities	408,573	-
	<u>408,573</u>	-
Total loans and borrowings	<u><u>15,393,142</u></u>	<u><u>-</u></u>

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

The loan has been measured at amortised cost using the effective interest method. The net gain has been taken to capital contribution.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Trade and other payables

	2019 £	2018 £
Trade payables	392,457	-
Payables to related parties	-	4,453,118
Other payables	20,775	18,610
Accruals	14,439	13,500
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	427,671	4,485,228
Other payables - tax and social security payments	7,234	-
Total trade and other payables	434,905	4,485,228
Less: current portion - trade payables	(392,457)	-
Less: current portion - payables to related parties	-	(4,453,118)
Less: current portion - other payables	(28,009)	(18,610)
Less: current portion - accruals	(14,439)	(13,500)
Total current portion	(434,905)	(4,485,228)
Total non-current position	-	-

12. Share capital

Authorised

	2019 Number	2019 £	2018 Number	2018 £
Shares treated as equity				
Ordinary shares of £1.00 each	35,039,332	35,039,332	35,039,332	35,039,332
	<u>35,039,332</u>	<u>35,039,332</u>	<u>35,039,332</u>	<u>35,039,332</u>

Issued and fully paid

	2019 Number	2019 £	2018 Number	2018 £
Ordinary shares of £1.00 each				
At 1 January and 31 December	<u>35,039,332</u>	<u>35,039,332</u>	<u>35,039,332</u>	<u>35,039,332</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Reserves

Capital contribution

This comprises non-distributable reserves that arose from the discounting of long term loans in the current year.

Retained earnings

This reserve represents the accumulated losses of the company.

14. Finance income and expense

Recognised in profit or loss

	2019 £	2018 £
Finance expense		
IFRS 16 lease liability interest payable	688,794	-
Total finance expense	688,794	-
Net finance expense recognised in profit or loss	<u>(688,794)</u>	<u>-</u>

15. Leases

(i) Leases as a lessee

The company entered into two lease agreements on 1 January 2019. The two leases are for the use of premises, and TV broadcasting and production equipment, that the company subsequently leases out to media companies.

Lease liabilities are due as follows:

	2019 £
Contractual undiscounted cash flows due	
Not later than one year	1,050,000
Between one year and five years	4,505,000
Later than five years	10,921,109
	<u>16,476,109</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Leases (continued)

The following amounts in respect of leases have been recognised in profit or loss:

	2019
	£
Interest expense on lease liabilities	688,794
Depreciation charge for asset	<u>807,849</u>

16. Financial risk management

The company's principal financial liabilities comprise related party loans and finance leases. The group has various financial assets such as cash and other receivables which arise directly from its operations.

The main risks arising from the company's financial instruments are liquidity risk, foreign currency risk and credit risk. The director reviews and agrees policies for managing each of these risks which are summarised below.

Interest rate and liquidity risk

The group has no significant interest rate risk at 31 December 2019. Trade and other payables are generally due to mature from one to three months and related party loans do not carry interest. Liquidity risk is managed through short and medium-term cash forecasting, which forms the basis to schedule equity in order to meet funding needs. None of the financial liabilities are interest bearing.

Foreign currency risk

The group has operations in the UK and the USA which means it is exposed to fluctuations in foreign exchange rates on cash flows.

Credit risk

There are no significant concentrations of credit risk within the company unless otherwise disclosed. The maximum credit exposure relating to financial assets is represented by carrying value as at the balance sheet date. Credit risk for the group is managed through periodic review of its financial position. The company has minimal income and currently receives all its funding from its parent company.

Capital management

The capital of the company is managed in order to provide a strong platform for operation and expansion of the business. At the current stage of development, it is group policy that this is best achieved through both debt and equity. The quantitative information in relation to equity is included within the statement of changes in equity and note 12, share capital.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

17.1 Trading balances

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sales of goods		Purchases of goods	
	2019	2018	2019	2018
	£	£	£	£
Alghad TV Limited	1,477,115	-	-	-
Kingston Investment Limited	-	-	500,000	-
Green Park Media Holding Limited	-	-	500,000	-
	<u>1,477,115</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	2019	2018	2019	2018
	£	£	£	£
Alghad TV Limited	-	-	-	18,610
Kingston Investment Limited	-	-	150,000	-
Green Park Media Holding Limited	150,000	-	150,000	-
	<u>150,000</u>	<u>-</u>	<u>300,000</u>	<u>18,610</u>

No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties. No guarantees have been given or received.

Services rendered and purchases between related parties are made at normal market prices.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. Related party transactions (continued)

17.2 Loans to related parties

	2019 £	2018 £
Berkeley Investment and Management Limited (USA)	522,298	540,767
	<u>522,298</u>	<u>540,767</u>

17.3 Loans from related parties

	2019 £	2018 £
Kingston Investment Limited	3,586,623	4,453,118
	<u>3,586,623</u>	<u>4,453,118</u>

The loan has been measured at amortised cost using the effective interest method. The net gain has been taken to capital contribution.

17.4 Compensation of key management personnel

Directors' fees for the year were £29,770 (2018: £14,000).

17.5 Relationships between related parties

Entity	Nature of Relationship
Beneficial Owners	Shareholders of the parent company, Kingston Investment Limited
Kingston Investment Limited	Parent company
Berkeley Investment and Management Limited (USA)	100% subsidiary company
Alghad Media Limited	Under common control
Alghad TV Limited	Under common control
Green Park Media Holding Limited	Under common control

18. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of the Company is Kingston Investment Limited. In the opinion of the Director there is no ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

19. Notes supporting statement of cash flows

	2019 £	2018 £
Cash at bank available on demand	3,071	120,009
Cash and cash equivalents in the statement of financial position	<u>3,071</u>	<u>120,009</u>
Cash and cash equivalents in the statement of cash flows	<u>3,071</u>	<u>120,009</u>

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.