

The Television Corporation Limited

Directors' report and financial statements

Registered number 01162501

For the year ended 30 September 2019

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Directors' report

The directors present their directors' report and financial statements for the year ended 30 September 2019.

Principal Activity

The principal activity of The Television Corporation ('the Company') is that of an investment holding company and it will continue to act as an investment holding company for the foreseeable future.

Directors

The directors of the Company during the year, and since year end, were:

J Foulser (resigned 6 December 2018)
W A Rees
A Mair (resigned 6 December 2018)
J Roberts
OGR Jones

Dividends

Dividends of £520,000 (2018: £1,447,000) were declared and paid during the year.

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of this report. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements (see note 1).

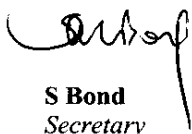
Political and charitable contributions

The Company made £nil political or charitable donations or incurred any political expenditure during the year (2018: £nil).

Exemption from audit

The company has taken advantage of the exemption under section 479A of the Companies act 2006 from the requirement to have its accounts for the year ended 30 September 2019 audited.

Signed on behalf of the Board



S Bond
Secretary

Tinopolis Centre
Park Street
Llanelli
Carmarthenshire
SA15 3YE

19 December 2019

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Profit and loss account and Other Comprehensive Income

For the year ended 30 September 2019

	<i>Note</i>	2019 £'000	2018 £'000
Administrative expenses		(647)	(1,364)
Operating loss		(647)	(1,364)
Income from shares in group undertakings		1,870	5,518
Interest payable and similar charges	<i>4</i>	(7)	(10)
Profit before taxation		1,216	4,144
Taxation on profit	<i>6</i>	77	231
Profit for the financial year		1,293	4,375

All amounts relate to continuing activities.

The notes on pages 6 to 14 form part of the financial statements.

Balance sheet
At 30 September 2019

	<i>Note</i>	2019	2018
		£'000	£'000
Fixed assets			
Tangible assets	7	29	32
Investments	8	16,054	16,054
		<hr/> 16,083	<hr/> 16,086
Current assets			
Debtors	9	14,775	10,666
Creditors: amounts falling due within one year	10	<hr/> (18,554)	<hr/> (15,221)
Net current liabilities		<hr/> (3,779)	<hr/> (4,555)
Total assets less current liabilities		<hr/> 12,304	<hr/> 11,531
Net assets		<hr/> <hr/> 12,304	<hr/> <hr/> 11,531
Capital and reserves			
Called up share capital	12	2,083	2,083
Share premium		5,537	5,537
Other reserves		1,107	1,107
Profit and loss account		3,577	2,804
Shareholders' funds		<hr/> <hr/> 12,304	<hr/> <hr/> 11,531

The notes on pages 6 to 14 form part of the financial statements.

For the year ended 30 September 2019, the Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006 (the "Act").

Directors' responsibilities

- the members have not required the Company to obtain an audit of its accounts for the year in question, in accordance with section 476 of the Act.
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors at a meeting on 19 December 2019

Signed on behalf of the Board

J Roberts
Director



Statement of Changes in Equity

	Called up Share capital £'000	Share Premium account £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 October 2017	2,083	5,537	1,107	(124)	8,603
Total comprehensive income for the period					
Profit or loss	-	-	-	4,375	4,375
Transactions with owners, recorded directly in equity					
Dividends payable	-	-	-	(1,447)	(1,447)
Balance at 30 September 2018	2,083	5,537	1,107	2,804	11,531

	Called up Share capital £'000	Share Premium account £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 October 2018	2,083	5,537	1,107	2,804	11,531
Total comprehensive income for the period					
Profit or loss	-	-	-	1,293	1,293
Transactions with owners, recorded directly in equity					
Dividends payable	-	-	-	(520)	(520)
Balance at 30 September 2019	2,083	5,537	1,107	3,577	12,304

The accompanying notes form part of the financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

Basis of preparation

The Television Corporation Limited (the "Company") is a private company limited by shares that is incorporated and domiciled in the UK. The registered number is 01162501 and the registered address is Tinopolis Centre, Park Street, Llanelli, Carmarthenshire, SA15 3YE.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

The Company's ultimate parent undertaking, DMWSL 660 Limited includes the Company in its consolidated financial statements. The consolidated financial statements of DMWSL 660 Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 15.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with group companies wholly under the same ownership;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

As the company is a wholly owned subsidiary of DMWSL 660 Limited, the company has taken advantage of the exemption contained in FRS 101.8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The company has adopted the following IFRSs in these financial statements:

IFRS 9: Financial Instruments, the Company has adopted IFRS 9 with a date of initial application of 1 October 2018. Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. The Company do not consider the adoption of the standard to have significant effect on the classification and measurement of financial assets and financial liabilities, so the comparative periods have not been restated.

Notes (continued)

1 Accounting policies (continued)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval from these financial statements, the directors are confident 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, through funding from its ultimate company DMWSL 660 Limited, to meet its liabilities as they fall due for that period.

The forecasts are dependent on DMWSL 660 Limited providing additional financial support during that period. DMWSL 660 Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1.3 Foreign currency

Transactions in foreign currencies are recorded at the appropriate rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or at the rate of exchange ruling at the balance sheet date, the gains and losses on the translation are included in the profit and loss account.

1.4 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer and other equipment	- 25% straight line
Fixtures & fittings and other equipment	- 15% straight line

1.6 Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

1.7 Post-retirement benefits

The Company is part of a defined contribution pension scheme for eligible employees. The contributions under this scheme are held in trustee-administered funds completely separate from the Group's finances. The amounts charged against profit are based on the defined contributions payable.

1.8 Leasing

All leases are accounted for as "operating leases" and the rentals payable are charged to the income statement on a straight line basis over the life of the lease.

Notes (continued)

1 Accounting policies (continued)

1.9 Dividends on shares presented within shareholders' funds

Dividends are recognised as a liability in the period in which they are declared and appropriately authorised.

1.10 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, cash and cash equivalents, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment

The company recognises loss allowances for expected credit losses on financial assets measured at amortised cost, and contract assets (as defined in IFRS 15).

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit. Lifetime expected credit losses arise from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a trade receivable has increased significantly since initial recognition and when estimating expected credit loss, the company considers information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full.

Measurement of Expected Credit Losses

Expected credit loss are a probability-weighted estimate of credit losses. Credit losses are measured the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

2 Employees

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Administration	33	35
	<hr/> 33 <hr/>	<hr/> 35 <hr/>

Notes (continued)

2 Employees (continued)

The aggregate payroll costs of these employees (including directors) during the year were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	1,838	2,039
Social security costs	213	249
Other pension costs	110	124
	2,161	2,412

At the balance sheet date the Company was a member of a group pension scheme. This pension scheme is a defined contribution plan. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs represent payments made by the Company to directors' and employees' personal pension schemes and to the group pension scheme.

3 Directors' remuneration

The costs of services provided by the directors is £nil (2018: £nil).

4 Interest payable and similar charges

	2019	2018
	£'000	£'000
Bank interest payable	7	10

5 Dividends

	2019	2018
	£'000	£'000
Dividends declared and payable	520	1,447

6 Taxation

Recognised in the profit and loss account

	2019	2018
	£'000	£'000
<i>UK corporation tax</i>		
Current tax credit on income for the year	(77)	(231)
Tax credit on profit on ordinary activities	(77)	(231)

There was no income tax recognised in other comprehensive income.

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2018: lower) the standard rate of corporation tax in the UK 19% (2018: 19%) the differences are explained below.

Notes (continued)

6 Taxation (continued)

Reconciliation of effective tax rate

	2019 £'000	2018 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,216	4,144
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax at 19% (2018: 19%)	231	787
<i>Effects of:</i>		
Dividend receivable not taxable	(355)	(1,048)
Expenses not deductible	4	3
Group relief surrendered	77	231
Receipt for group relief surrendered	(77)	(231)
Transfer pricing	35	27
Adjustment in respect of prior year	8	-
	<hr/>	<hr/>
Total tax credit	(77)	(231)
	<hr/>	<hr/>

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 September 2019 has been calculated based on these rates.

Notes (continued)

7 Tangible assets

	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 October 2018	22	25	47
Additions	3	4	7
	<hr/>	<hr/>	<hr/>
At 30 September 2019	25	29	54
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 October 2018	11	4	15
Charge for the year	6	4	10
	<hr/>	<hr/>	<hr/>
At 30 September 2019	17	8	25
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2019	8	21	29
	<hr/>	<hr/>	<hr/>
At 30 September 2018	11	21	32
	<hr/>	<hr/>	<hr/>

8 Fixed asset investments

	Shares in Subsidiary Undertakings £'000
Cost	
At 1 October 2018 and 30 September 2019	16,054
Provisions for diminution in value	
At 1 October 2018 and 30 September 2019	-
	<hr/>
Net book value	
At 1 October 2018 and 30 September 2019	16,054
	<hr/>

Notes (continued)

8 Fixed asset investments (continued)

Related Undertakings

The companies and related undertakings in which the Company has an interest at the year-end are:

Subsidiary Undertakings	Country of incorporation	Share capital ownership	Proportion held	Company status
Sunset & Vine Productions Limited	England and Wales ¹	Direct	100%	Trading
Venner TV Limited	England and Wales ¹	Direct	100%	Dormant
Mentorn Limited	England and Wales ¹	Direct	100%	Dormant
Redback Films Limited	England and Wales ¹	Direct	100%	Dormant
World Sport Broadcasting Limited	England and Wales ¹	Direct	100%	Dormant
World Sports TV Limited	England and Wales ¹	Direct	100%	Dormant
Television Corporation Productions Limited	England and Wales ¹	Direct	100%	Dormant
Television Corporation Consumer Brands Limited	England and Wales ¹	Direct	100%	Dormant
Venner Television North Limited	England and Wales ¹	Direct	100%	Dormant
Sunset & Vine North Limited	England and Wales ¹	Direct	100%	Dormant
Visions Transmission Services Limited	England and Wales ¹	Direct	100%	Dormant
VMTV Limited	England and Wales ¹	Direct	100%	Dormant
Sunset & Vine Mobiles Limited	England and Wales ¹	Direct	100%	Dormant
Global Television Services Limited	England and Wales ¹	Direct	100%	Dormant
Mentorn Media Limited	England and Wales ¹	Indirect	100%	Trading
Mentorn International Limited	England and Wales ¹	Indirect	100%	Trading
Sunset & Vine (Oxford) Limited	England and Wales ¹	Indirect	100%	Trading
Sunset & Vine Asia (Pte) Limited	Singapore ²	Indirect	100%	Dormant
Sunset & Vine Asia Digital (Pte) Limited	Singapore ²	Indirect	100%	Dormant
TVC Media Limited	England and Wales ¹	Direct	100%	Trading
Music Box Limited	England and Wales ¹	Direct	100%	Trading
Golden Break Music Limited	England and Wales ¹	Indirect	100%	Trading
Mobile Sport Limited	England and Wales ¹	Indirect	100%	Dormant
Sunset & Vine Scotland Limited	Scotland ³	Indirect	100%	Dormant
Mentorn Group Limited	England and Wales ¹	Direct	100%	Dormant
VTV Scotland Limited	Scotland ³	Indirect	100%	Dormant
Mentorn Broadcasting Limited	England and Wales ¹	Indirect	100%	Dormant
Barraclough Carey Productions Limited	England and Wales ¹	Indirect	100%	Dormant
World Wide Entertainment News Limited	England and Wales ¹	Direct	100%	Dormant
TV 21 Limited	England and Wales ¹	Indirect	100%	Dormant
Space Productions Limited	England and Wales ¹	Indirect	50%	Dormant
Mentorn UFO Limited	England and Wales ¹	Indirect	100%	Dormant
Mentorn USA Inc	USA ⁴	Indirect	100%	Dormant
Space Productions Limited (Distribution) Limited	England and Wales ¹	Indirect	50%	Dormant
Mentorn Films Limited	England and Wales ¹	Indirect	100%	Dormant
Sunset & Vine (London 2017) Limited	England and Wales ¹	Indirect	100%	Trading
Sunset & Vine (South America) Limited	England and Wales ¹	Indirect	100%	Dormant

¹ registered at Tinopolis Centre, Park Street, Llanelli, SA15 3YE

² registered at 79 South Bridge Road, #03-01 Singapore 058709

³ registered at C/O Edit 123, 123 Blythswood Street, Glasgow, Scotland G2 4EN

⁴ registered at 11377 W. Olympic Blvd, Los Angeles, CA 90064

Notes (continued)

9 Debtors

	2019	2018
	£'000	£'000
Due within one year		
Trade debtors	-	3
Amounts owed by group undertakings	14,125	10,154
Other debtors	57	61
Prepayments and accrued income	593	448
	<hr/> 14,775 <hr/>	<hr/> 10,666 <hr/>

Amounts owed by group undertakings are interest free and repayable on demand.

10 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Bank loans and overdrafts	3,913	2,361
Trade creditors	113	132
Amounts owed to group undertakings	10,563	10,561
Other taxation and social security	334	427
Other creditors	377	305
Accruals and deferred income	3,254	1,435
	<hr/> 18,554 <hr/>	<hr/> 15,221 <hr/>

Amounts owed by group undertakings are interest free and repayable on demand.

11 Commitments under operating leases

Non-cancellable operating lease rentals are payable as follows:

	2019	2018
	£'000	£'000
Less than one year	49	49
Between one and five years	3	97
More than five years	-	-
	<hr/> 52 <hr/>	<hr/> 146 <hr/>

Notes (continued)

12 Called up share capital

	2019	2018
	£'000	£'000
<i>Allotted, called up and fully paid</i>		
41,655,044 Ordinary shares of 5p each	2,083	2,083

Dividends paid in the year amount to £520,000 (2018: £1,447,000), which amounts to £260,000 per share (2018: £723,500).

13 Contingent liabilities

The company is part of a cross-guarantee arrangement whereby the banking liabilities of DMWSL660 Limited group, amounting to £119,622,000 (2018: £125,864,000) are secured by the assets of the company and its fellow subsidiaries.

The company entered into a Guarantee and Debenture, comprising fixed and floating charges over the undertaking and certain of its assets, securing all monies due or to become due from the company and / or any of the other group companies.

Under the provisions of group registration for value added tax, the company and its fellow subsidiary companies are jointly liable for the indebtedness of each other.

14 Pension scheme

The Company is part of a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £110,000 (2018: £124,000).

There were £nil (2018: £nil) of outstanding contributions at the end of the financial year.

15 Ultimate parent undertaking

The company is a subsidiary undertaking of DMWSL 660 Limited which is the ultimate parent company, incorporated in England.

The largest group in which the results of the company are consolidated is that headed by DMWSL 660 Limited. The consolidated financial statements of these groups are available to the public and can be obtained from Tinopolis Centre, Park Street, Llanelli, Carmarthenshire, SA15 3YE.