The Television Corporation Limited

Directors' report and financial statements

Registered number 01162501

For the year ended 30 September 2020

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 30 September 2020.

On 25 March 2021, Tinopolis Group Limited became the ultimate parent company (see note 16).

Review of operations

The Company was impacted by COVID-19 with the disruption from March onwards resulting in an increase in administrative expense for the year of £3,718,000 *(2019: £647,000)*, which resulted in the impairment of intercompany balances.

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:
W A Rees
J Roberts
OGR Jones

Dividends

Dividends of £170,000 *(2019: £520,000)* were declared and paid during the year.

Going Concern

The directors have undertaken detailed forecasts to verify the ability of the Company to continue in operational existence for the foreseeable future.

Through the analysis performed, the directors have verified that the Company has sufficient cash flow resources to maintain operations for the foreseeable future. The directors therefore continue to adopt the going concern basis in preparing the annual accounts (see note 1).

Political donations

The Company made no political donations during the period under review (*2019: £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 2020 audited.

Signed on behalf of the Board

J Roberts
Director

Tinopolis Centre
Park Street
Llanelli
Carmarthenshire
SA15 3YE

17 June 2021

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 2020

	Note	**2020**	2019
		£'000	£'000
Administrative expenses		**(3,718)**	(647)
Other operating income		**144**	-
Operating loss		**(3,574)**	(647)
Income from shares in group undertakings		**1,700**	1,870
Interest payable and similar charges	*4*	**(9)**	(7)
(Loss)/profit before taxation		**(1,883)**	1,216
Taxation on profit	*6*	**(85)**	77
(Loss)/profit for the financial year		**(1,968)**	1,293

All amounts relate to continuing activities.

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

Balance sheet
At 30 September 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible assets	7		**73**		29
Right of use asset	12		**102**		-
Investments	8		**16,054**		16,054
			16,229		16,083
Current assets					
Debtors (including £9,148,000 *(2019: £13,822,000)* due after more than one year)	9	**13,730**		14,775	
Creditors: amounts falling due within one year	10	**(19,737)**		(18,554)	
Net current liabilities			**(6,007)**		(3,779)
Total assets less current liabilities			**10,222**		12,304
Creditors: amounts falling due after one year	11		**(56)**		-
Net assets			**10,166**		12,304
Capital and reserves					
Called up share capital	13		**2,083**		2,083
Share premium			**5,537**		5,537
Other reserves			**1,107**		1,107
Profit and loss account			**1,439**		3,577
Shareholders' funds			**10,166**		12,304

The notes on pages 6 to 16 form part of the financial statements.

For the year ended 30 September 2020, 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 17 June 2021.

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 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**

	Called up Share capital £'000	Share Premium account £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 October 2019	2,083	5,537	1,107	3,577	12,304
Total comprehensive income for the period					
Profit or loss	-	-	-	(1,968)	(1,968)
Transactions with owners, recorded directly in equity					
Dividends payable	-	-	-	(170)	(170)
Balance at 30 September 2020	**2,083**	**5,537**	**1,107**	**1,439**	**10,166**

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 England 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").*

Red Dragon Acquisitions Limited includes the Company in its consolidated financial statements. These consolidated financial statements 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 Red Dragon Acquisitions Limited 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 Red Dragon Acquisitions 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

Notwithstanding net current liabilities of £6,063,000 as at 30 September 2020 and a loss for the year then ended of £1,968,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its overdraft facility and funding from its intermediate parent company, Red Dragon Acquisitions Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Red Dragon Acquisition Limited providing additional financial support during that period. Red Dragon Acquisitions Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, 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.

Consequently, 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 and therefore have prepared the financial statements on a going concern basis.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

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

The company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 October 2019. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Policy applicable from 1 October 2019

(i) Definition of a lease

Previously, the company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a lease.* The company now assesses whether a contract is or contain a lease based on the new definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16.

(ii) Leases as lessee

As a lessee, the company leases office premises, motor vehicles and office equipment.

The company previously classified leases as operating leases based on its assessment on whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the company. Under IFRS 16, the company recognises right-of-use assets and lease liabilities for all leases of office premises, motor vehicles and office equipment – i.e. these leases are on-balance sheet.

The company recognises a right-of -use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The company determines it's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Leased payments included in the measurement of the lease liability comprise the fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of what the amount expected to be payable under a residual value guarantee, if the company changes it's assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of use asset has been reduced to zero.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Leasing (continued)

The company presents right-of -use assets and lease liabilities as separate lines.

The company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. No right-of-use assets and liabilities were recognised for:

- leases for which the lease term ended within 12 months of date of initial application
- leases of low value assets (less than £5,000)

Policy applicable before 1 October 2019

Leasing and hire purchase commitments

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.

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 expect 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.

1.11 Government Grants

Government grants related to income are recognised in the period that the expense is incurred.

The company has adopted to deduct income related government grants from the relevant expense in the statement of profit and loss and other comprehensive income.

Notes *(continued)*

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	
	2020	2019
Administration	**31**	33

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

	2020	2019
	£'000	£'000
Wages and salaries	**1,655**	1,838
Social security costs	**188**	213
Other pension costs	**98**	110
	1,797	2,161

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 *(2019: £nil)*.

4 Interest payable and similar charges

	2020	2019
	£'000	£'000
Bank interest payable	**9**	7

5 Dividends

	2020	2019
	£'000	£'000
Dividends declared and payable	**170**	520

Notes *(continued)*

6 Taxation

Recognised in the profit and loss account

	2020	2019
	£'000	£'000
UK corporation tax		
Current tax credit on income for the year	**-**	(77)
Adjustment in respect of prior year	**85**	-
Tax expense/(credit) on ordinary activities	**85**	(77)

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 (*2019: lower*) the standard rate of corporation tax in the UK 19% (*2019:* 19%) the differences are explained below.

Reconciliation of effective tax rate

	2020	2019
	£'000	£'000
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	**(1,883)**	1,216
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax at 19% *(2019:* 19%*)*	**(358)**	231
Effects of:		
Dividend receivable not taxable	**(323)**	(355)
Expenses not deductible	**2**	4
Group relief surrendered	**136**	77
Receipt for group relief surrendered	**-**	(77)
Transfer pricing	**40**	35
Other disallowable items	**503**	
Adjustment in respect of prior year	**85**	8
Total tax expense/(credit)	**85**	(77)

On 17 March 2020 a change to the future corporation tax rate was substantively enacted. The corporation tax rate remains at 19% for the tax years starting on 1 April 2020 and 1 April 2021. This replaced the previously enacted reduction to 17% (effective from 1 April 2020) on 6 September 2016. The deferred tax asset at 30 September 2020 has been calculated based on these rates. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

Notes *(continued)*

7 Tangible assets

	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 October 2019	25	29	54
Additions	55	-	55
At 30 September 2020	**80**	**29**	**109**
Depreciation			
At 1 October 2019	17	8	25
Charge for the year	6	5	11
At 30 September 2020	**23**	**13**	**36**
Net book value			
At 30 September 2020	**57**	**16**	**73**
At 30 September 2019	8	21	29

8 Fixed asset investments

	Shares in Subsidiary Undertakings £'000
Cost	
At 1 October 2019 and 30 September 2020	**16,054**
Provisions for diminution in value	
At 1 October 2019 and 30 September 2020	-
Net book value	
At 1 October 2019 and 30 September 2020	**16,054**

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%	Dormant
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%	Dormant
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%	Dormant
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

	2020	2019
	£'000	£'000
Due after more than one year		
Amounts owed by group undertakings	**9,148**	13,822
Due within one year		
Amounts owed by group undertakings	**3,950**	303
Other debtors	**55**	57
Prepayments and accrued income	**577**	593
	13,730	14,775

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

10 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Bank loans and overdrafts	**5,686**	3,913
Trade creditors	**189**	113
Amounts owed to group undertakings	**9,768**	10,563
Other taxation and social security	**1,165**	334
Other creditors	**376**	377
Accruals and deferred income	**2,493**	3,254
Lease liabilities	**60**	-
	19,737	18,554

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

11 Creditors: amounts falling due after one year

	2020	2019
	£000	£000
Lease liabilities	**56**	-

12 Leases

When measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at 1 October 2019. The rate used for the company was 3.27%. The IBR was calculated based on a quoted margin from an external lender, LIBOR at transition date, and a term adjustment based on government bond yields for a tenor in line with the underlying lease, and risk profile similar to that of the company.

As a lessee, the company leases office equipment. The leases have different periods and lease payments are negotiated during the contract signing. Previously, these leases were classified as operating leases under IAS 17. Information about leases for which the company is a lessee is presented below:

Notes *(continued)*

12 Leases *(continued)*

(a) Right-of-use assets

Right-of-use assets are presented as a separate line:

	Office Equipment £'000
Additions	**124**
Depreciation charge for the year	**(22)**
	102

b) Amounts recognised in the profit and loss account

	2020 £'000
Depreciation – right of use	**22**
Finance cost	**(2)**
	24
2019 – Operating lease expense under IAS 17	49

Costs relating to exempt leases (low value assets and contracts of less than 12 months) have been charged directly to operating profit.

c) Rec of movement in lease liabilities

	Office Equipment £'000
Lease addition	**114**
Interest expense	**2**
	116
Due within one year	**60**
Due after more than one year	**56**

13 Called up share capital

	2020 £'000	2019 £'000
Allotted, called up and fully paid		
41,655,044 Ordinary shares of 5p each	**2,083**	2,083

Dividends paid in the year amount to £170,000 *(2019: £520,000)*, which amounts to 0.4p per share *(2019: 1.2p)*.

Notes *(continued)*

14 Contingent liabilities

The company is part of a cross-guarantee arrangement whereby the banking liabilities of DMWSL660 Limited group, amounting to £124,242,000 (*2019: £119,622,000*) 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.

15 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 £98,000 *(2019: £110,000*).

There were £nil (*2019:* £nil) of outstanding contributions at the end of the financial year.

16 Ultimate controlling party and subsequent events

On 25 March 2021, Tinopolis Group Limited became the ultimate parent company. DMWSL 660 Limited had been the ultimate parent company prior to that date.

Tinopolis Group Limited is a company incorporated in England and Wales.

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