

Company Registration No. 02405231

Bowtie Television Limited

Annual report and financial statements

For the year ended 31 December 2021



Bowtie Television Limited
Annual report and financial statements for the year ended 31 December 2021

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Bowtie Television Limited

Annual report and financial statements for the year ended 31 December 2021

Company Information

Directors

S A Jenkins
S A Mort
D Davidson-Smith
M Werteen

Company Secretary

D Leadbetter

Registered Office

Gemini House
Downmill Road
Bracknell
Berkshire
RG12 1QS
United Kingdom

Company Number

02405231

Banker

JP Morgan
Woolgate House
Coleman Street
Chaseside
Dorset
BH7 7BD
United Kingdom

Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Bowtie Television Limited

Strategic Report

The Directors present their strategic report and audited financial statements for the year ended December 2021.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The statement of profit and loss account is set out on page 11 and shows the profit for the year after taxation was £1,980,790 (2020: £2,532,261). At 31 December 2021, Bowtie Television Limited (the "Company"), has shareholders' funds of £11,740,576 (2020: £9,759,786).

The Company's key financial performance indicators were as follows for the year.

	2021	2020
	£	£
Turnover	8,994,970	10,462,972
Profit before taxation	1,976,467	2,517,443

Turnover levels have decreased by £1,468,002 (14%) year-on-year, and profit after taxation has decreased by £551,471 (22%) over the same period. 2020 saw unprecedented levels of business activity, and therefore turnover and profit before taxation increased as a direct result of increased requirements from our governmental clients as they worked their way through the Covid-19 crisis. These Covid-19 related levels of activity continued into 2021 but declined as the year progressed. Cost of sales have decreased year-on-year by £924,628 (14%). This decrease is driven by the reduction in business activity year-on-year. Administrative expenses have increased year-on-year by £101,314 (6%) due to the full year impact of an increase in headcount and payroll costs relating to a contract that commenced in late 2020.

The Directors aim to continue the management policies which have resulted in significant growth since the Company's inception (based on the performance of the company before the exceptional impact from Covid-19). They remain confident that the continued adoption of new technological solutions and investment in staff development increases our ability to serve our clients at the highest level.

GOING CONCERN

The company made a net profit of £2m during the year ended 31 December 2021 and as of this date, the company was in a net current asset position of £11.7m (2020: £9.8m). The major customers are the parliaments and government authorities who contribute a significant proportion of the company's revenue and some of the existing contracts for these customers are due to expire within the next one year, subject to renewal.

Consequently, the Company has obtained a letter of support from NEP Group Inc, committing to provide financial support for at least 12 months from the date of signing the accounts. This assessment supports the ability of the company to continue as a going concern and thus, the financial statements have been prepared on a going concern basis.

The Directors have a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of signing the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive risks

The renewal of contracts is frequently subject to the Company's clients retaining broadcasting rights and some will be the subject to competitive tender. Our ability to retain contracts will usually be based on financial and performance criteria. The Company is generally regarded as an independent provider and is not beholden to any one client.

Legislative risks

The Company operates within the current legislation on Health Safety and Employment. Any significant change could have an impact on the Company's costs and there is no certainty that these could be passed on to clients

Bowtie Television Limited

Strategic Report (continued)

Credit risks

It is believed that no one client represents a material risk to the Company. Where there may be a credit concern or where significant up-front costs will be incurred in relation to a client's event, the Company will endeavour to obtain a deposit or other security for payment.

Financial instrument risks

The Company endeavours to mitigate financial risk by regular monthly reporting, budgeting and having defined authority levels.

As the Company is an international trader and a subsidiary of a US group, its business can be sensitive to exchange rate fluctuations. The financial impact of exchange rate fluctuations is not typically material, but in all cases the Company mitigates this risk where possible by ensuring contracts and invoices are GBP-denominated.

Climate change and environment

The Company doesn't not consider climate change a significant risk to its business at this point. Transport costs form a very small part of the Company's overall base and any change in these would not be expected to have a material impact on our business. The Company recognises the importance of environmental responsibility, including using energy and resources as efficiently as possible. As part of the wider NEP group, we are committed to addressing these risks and working towards a more sustainable future. More detail is available in the published financial statements of NEP UK Film I Ltd.

Impact of COVID-19

While COVID-19 has had a significant impact on the global economy and on certain industry sectors, the Company has fortunately not seen an adverse change. The Company has been very focused and busy in 2021 supporting its clients, who have all seen their business models and requirements change rapidly. This in turn has meant that 2021 has seen higher than normal and higher than expected revenues (and a similar proportional increase in costs) as that support continues. Although increased demand, revenues and corresponding costs have continued through 2021, the Company does not anticipate this trend continuing at the same level in 2022.

In addition, in order to meet the needs of its clients, the Company has increased the size of its workforce through 2021. The Company did not take advantage of any Government assistance schemes that were available.

Signed and approved on behalf of the Board of Directors:



S A Mort
Director

28 September 2022

Bowtie Television Limited Directors' Report

The Directors present the annual report and financial statements for the financial year ended 31 December 2021 for Bowtie Television Limited (the "Company").

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year under review was that of provider of managed broadcast and audio visual operational and maintenance services for Parliaments and Government Authorities in addition to corporate clients and broadcasters.

DIRECTORS

The Directors who served the Company during the year and to the date of signing were as follows:

S A Jenkins

S A Mort

D Davidson-Smith

G Delon (resigned 25th April 2022)

M Werteen (appointed 25th April 2022)

INTERESTS OF DIRECTORS

The Directors are not aware of any shareholding in the share capital of the Company by any Director during the year ended 31 December 2021.

BUSINESS REVIEW

A review of the Company's business for the year ended 31 December 2021 is addressed in the Strategic Report on pages 2 and 3.

DIVIDENDS

The Directors have not recommended a dividend (2020: £Nil).

POLITICAL AND CHARITABLE DONATIONS

The Company made political or charitable donations during the year of £1,000 (2020: £Nil).

RESEARCH AND DEVELOPMENT

The Company's business model does not lend itself to significant research and development activities; therefore, the Directors do not anticipate any significant future costs in this area.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are addressed in the Strategic Report on pages 2 and 3.

EMPLOYEE INVOLVEMENT

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that employees' views are taken into account in decisions which are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business areas, and of the Company as a whole.

Bowtie Television Limited

Directors' Report (continued)

DISABLED PERSONS

The Company's policy is to always fully consider applications for employment by disabled persons, bearing in mind the respective aptitudes and abilities of the applicant concerned. Furthermore, in the event where members of staff become disabled, every effort would be made to ensure that their employment with the Company continued, and appropriate training arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should be, as far as possible, identical to that of a person who does not suffer from a disability.

GOING CONCERN

The Company made a net profit of £2.0m during the year ended 31 December 2021 and as of this date, the Company was in a net current asset position of £11.7m (2020: £9.8m). The major customers are the parliaments and government authorities who contribute a significant proportion of the company's revenue and some of the existing contracts for these customers are due to expire within the next one year, subject to renewal.

Consequently, the Company has obtained a letter of support from NEP Group Inc, committing to provide financial support for at least 12 months from the date of signing the accounts. This assessment supports the ability of the Company to continue as a going concern and thus, the financial statements have been prepared on a going concern basis.

The Directors have a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of signing the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

FUTURE DEVELOPMENTS

The Directors are satisfied with the performance of the Company during the year. With the support of its parent company, the Company continues to be focused on development and growth of the managed service aspects of its trade to Government areas and corporate customers.

SUBSEQUENT EVENTS

There have been no material events subsequent to the reporting date which necessitate revision of the figures or disclosures included in the financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as auditors was proposed at the Annual General Meeting.

Signed and approved on behalf of the Board of Directors:



S A Mort
Director

28 September 2022

Bowtie Television Limited

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed and approved on behalf of the Board of Directors:



S A Mort
Director

28 September 2022

Bowtie Television Limited

Independent auditor's report to the members of Bowtie Television Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bowtie Television Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Bowtie Television Limited

Independent auditor's report to the members of Bowtie Television Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

Bowtie Television Limited

Independent auditor's report to the members of Bowtie Television Limited

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Risk over revenue recognition, which may manifest through the recording of revenue transactions in the current year for events that have not taken place. Our procedures to address the risk are described below;
 - Assessed the design and implementation of the Company's controls around this risk.
 - We performed substantive testing of a sample transactions, considering supporting documentation in order to test that revenue recorded related to events which has occurred.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

Bowtie Television Limited

Independent auditor's report to the members of Bowtie Television Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.



Robert Knight (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

28 September 2022

Bowtie Television Limited
Profit and loss account
For the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	8,994,970	10,462,972
Cost of sales		<u>(5,732,596)</u>	<u>(6,657,224)</u>
Gross profit		3,262,374	3,805,748
Administrative expenses		<u>(1,706,630)</u>	<u>(1,605,316)</u>
Operating profit	5	1,555,744	2,200,432
Interest and other income		<u>420,723</u>	<u>317,011</u>
Profit before taxation		1,976,467	2,517,443
Taxation on profit	7	<u>4,323</u>	<u>14,818</u>
Profit for the financial year		<u>1,980,790</u>	<u>2,532,261</u>

All of the activities of the Company are classed as continuing. There are no items of other comprehensive income, therefore no separate Statement of Comprehensive Income has been presented.

The accompanying notes form an integral part of these audited financial statements.

Bowtie Television Limited
Balance Sheet
As at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	8	30,656	9,159
		<u>30,656</u>	<u>9,159</u>
Current assets			
Debtors	9	13,266,242	11,209,086
Cash at bank and in hand	10	813	706
Total current assets		<u>13,267,055</u>	<u>11,209,792</u>
Creditors: Amounts falling due within one year	11	<u>(1,557,135)</u>	<u>(1,459,165)</u>
Net current assets		<u>11,709,920</u>	<u>9,750,627</u>
Total assets less current liabilities		<u>11,740,576</u>	<u>9,759,786</u>
Net assets		<u>11,740,576</u>	<u>9,759,786</u>
Capital and reserves			
Called-up share capital	13	100	100
Profit and loss account		<u>11,740,476</u>	<u>9,759,686</u>
Shareholders' funds	14	<u>11,740,576</u>	<u>9,759,786</u>

The annual report and financial statements were approved and authorised for issue by the Board of Directors of Bowtie Television Limited (company number 02405231) on 28 September 2022 and were signed on its behalf by:



S A Mort
Director

28 September 2022

The accompanying notes form an integral part of these audited financial statements.

Bowtie Television Limited
Statement of Changes in Equity
For the year ended 31 December 2021

	Note	Called-up share capital £	Retained earnings £	Shareholders' funds' £
At 1 January 2021		100	9,759,686	9,759,786
Profit for the year		-	1,980,790	1,980,790
At 31 December 2021	13, 14	<u>100</u>	<u>11,740,476</u>	<u>11,740,576</u>

	Note	Called-up share capital £	Retained earnings £	Shareholders' funds' £
At 1 January 2020		100	6,854,171	6,854,271
Profit for the year		-	2,532,261	2,532,261
Capital contribution from fellow group company		-	373,254	373,254
At 31 December 2020	13, 14	<u>100</u>	<u>9,759,686</u>	<u>9,759,786</u>

Bowtie Television Limited

Notes to the Financial Statements

For the year ended 31 December 2021

The accompanying notes form an integral part of these audited financial statements

1. INCORPORATION AND PRINCIPAL ACTIVITY

Bowtie Television Limited (the “Company”) is a private company limited by shares registered in England and Wales on 18 July 1989, and incorporated in the United Kingdom under the Companies Act 2006. The address of its registered office is Gemini House, Downmill Road, Bracknell, Berkshire, RG12 1QS, United Kingdom.

The Company’s principal activity is that of a provider of broadcast facilities.

The financial statements have been prepared on a going concern basis. The Directors have made an assessment of the Company’s ability to continue in operation and is satisfied that the Company has the resources to continue in business for the foreseeable future.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102,; the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”), and the Companies Act 2006. There were no material departures from the standard.

b) Basis of preparation

The financial statements for the year ended 31 December 2021 are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value and in accordance with FRS 102 and applicable law.

c) Functional and presentation currency

The functional and presentation currency of the Company is British Pound (“GBP” or “£”), rounded to the nearest £. The Directors consider that GBP reflects the primary economic environment in which the Company operates.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

d) Going Concern

The company made a net profit of £2m during the year ended 31 December 2021 and as of this date, the company was in a net current asset position of £11.7m (2020: £9.8m). The major customers are the parliaments and government authorities who contribute a significant proportion of the company’s revenue and some of the existing contracts for these customers are due to expire within the next one year, subject to renewal.

Consequently, the Company has obtained a letter of support from NEP Group Inc, committing to provide financial support for at least 12 months from the date of signing the accounts. This assessment supports the ability of the company to continue as a going concern and thus, the financial statements have been prepared on a going concern basis.

The directors have a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of signing the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statement

Bowtie Television Limited
Notes to the Financial Statements
For the year ended 31 December 2021

2. BASIS OF PREPARATION (continued)

e) Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. NEP Connect Limited is a qualifying entity as its results are consolidated into the financial statements of NEP UK Film I Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- v) from the requirement to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, as required by of section 33.1A of FRS 102.

Bowtie Television Limited

Notes to the Financial Statements

For the year ended 31 December 2021

3. ACCOUNTING POLICIES

a) Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts and rebates allowed by the Company and value added taxes.

It is recognised in the statement of comprehensive income in accordance with the underlying contractual arrangement. If a project is not completed at the end of the financial period, turnover and associated expenses are recognised based on the stage of completion of the project, as agreed with the client

b) Expenses and accruals

All expenses are accounted for on an accruals basis.

c) Leasing and hire purchase commitments

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

d) Pensions

The Company participates in a group defined contribution pension scheme. Contributions are charged to the profit and loss statement as they become payable in accordance with the rules of the scheme

e) Taxation

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the year end date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

f) Tangible assets

Tangible assets are initially measured at cost. Subsequent to initial recognition, tangible assets are measured at cost less depreciation at the reporting date.

Depreciation is provided on all tangible assets at rates calculated to write off the cost of valuation, less estimated residual value, which is reassessed annually, over its expected useful life as follows:

Short leasehold	20% straight-line
Outside broadcast equipment	15% - 25% straight-line

At the reporting date, the carrying amounts of the Company's tangible assets are reviewed to determine whether there is objective evidence of impairment.

Bowtie Television Limited
Notes to the Financial Statements
For the year ended 31 December 2021

3. ACCOUNTING POLICIES (continued)

g) Financial instruments

Basic financial instruments including cash at bank, debtors and creditors are initially measured at transaction price in accordance with Section 11 Basic Financial Instruments of FRS 102.

Cash at bank

Cash at bank consists of deposits held at call with banks with original maturities of less than 3 months.

Debtors

The Company's debtors consist of trade debtors, amounts owed by group undertakings, accrued income, other debtors and other taxes and social security costs.

The debtors are measured at transaction price less any provisions for impairment.

At each reporting date, the Company's debtors are reviewed to determine whether there is objective evidence of impairment.

Creditors

The Company's creditors consist of amounts owed to group undertakings, accruals, other taxes and social security costs, trade creditors and other creditors.

The creditors are measured at amortised cost using the effective interest method.

h) Impairment

The Company's assets that are stated at cost or amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

At each reporting date, the Company's assets are reviewed to determine whether there is objective evidence of impairment.

i) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above the directors are required to make judgements (other than those involving estimations) that may have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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.

Critical accounting judgements

In the year ended 31 December 2021, there were no situations where the directors were required to make critical accounting judgements that had a significant impact on amounts recognised in the financial statements.

Bowtie Television Limited
Notes to the Financial Statements
For the year ended 31 December 2021

3. ACCOUNTING POLICIES (continued)

Key source of estimation uncertainty

There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. TURNOVER

During the year ended 31 December 2021, the Company recognised turnover amounting to £8,994,970 (2020: £10,462,972) relating to the provision of broadcasting facilities. All turnover arose in the United Kingdom.

5. OPERATING PROFIT

This is stated after charging:

	2021	2020
	£	£
Auditor's remuneration for the auditing of the financial statements	20,000	9,000
Depreciation of tangible assets	6,585	4,964
Operating lease rentals:		
Land and buildings	25,621	44,080
	<u>25,621</u>	<u>44,080</u>

6. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	3,010,564	2,312,226
Social security costs	373,973	244,533
Other pension costs	89,120	75,003
	<u>3,473,657</u>	<u>2,631,762</u>
Total staff costs	<u>3,473,657</u>	<u>2,631,762</u>

The average monthly number of employees during the year was made up as follows:

	No.	No.
Administration	77	59
	<u>77</u>	<u>59</u>

Bowtie Television Limited
Notes to the Financial Statements
For the year ended 31 December 2021

7. TAXATION

(a) Analysis of tax charge in the year:

	2021 £	2020 £
Current tax:		
UK corporation tax on profits in the period	-	-
Adjustments in respect of previous years	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	(23,830)	582
Adjustment in respect of previous periods	17,370	9,972
Effect of changes in tax rates	10,783	4,264
	<hr/>	<hr/>
Total deferred tax	4,323	14,818
	<hr/>	<hr/>
Taxation credit on profit	4,323	14,818
	<hr/>	<hr/>

(b) Reconciliation of tax credit in the year to the profit and loss statement

The charges for the year are reconciled to the profit before tax per the profit and loss statement as follows:

	2021 £	2020 £
Profit before tax	1,976,467	2,517,443
Capital contribution from fellow group company – exempt from tax	-	373,254
Tax on profit at standard rate of corporation tax in the UK of 19% (2020: 19%)	(375,529)	(549,232)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(37)	(111)
Income not taxable	1,601	74,768
Group relief	350,135	475,157
Adjustments in respect of previous periods	17,370	9,972
Changes in tax rates	10,783	4,264
	<hr/>	<hr/>
Taxation credit on profit	4,323	14,818
	<hr/>	<hr/>

Bowtie Television Limited
Notes to the Financial Statements
For the year ended 31 December 2021

7. TAXATION (continued)

(c) Factors that may affect future tax charges

In his budget of 3 March 2021, the Chancellor of the Exchequer announced that the UK corporation tax rate will increase from 19% to 25% from 1 April 2023. This change has not been applied in the measurement of the company's deferred tax assets and liabilities at 31 December 2021. In the September 2022 Mini Budget it was then announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%.

The closing deferred tax asset / (liability) at 31 December 2021 has been calculated at 19% reflecting the tax rate at which the deferred tax liability is expected to be utilised in future periods.

There are no unrecognised losses for the period ended 31 December 2021.

8. TANGIBLE ASSETS

The Company holds the following tangible assets at the reporting date:

	2021 £ Short leasehold	2021 £ Outside broadcast Equipment	2021 £ Total	2020 £ Short leasehold	2020 £ Outside broadcast equipment	2020 £ Total
Cost						
At 1 January	41,214	359,637	400,851	41,214	446,013	487,227
Additions	-	28,082	28,082	-	1,502	1,502
Disposals	-	-	-	-	(87,878)	(87,878)
Total cost at 31 December	41,214	387,719	428,933	41,214	359,637	400,851
At 1 January	(41,214)	(350,478)	(391,692)	(41,214)	(433,392)	(474,606)
Charge during the year	-	(6,585)	(6,585)	-	(4,964)	(4,964)
Disposals	-	-	-	-	87,878	87,878
Total depreciation at 31 December	(41,214)	(357,063)	(398,277)	(41,214)	(350,478)	(391,692)
Net Book Value at 31 December	-	30,656	30,656	-	9,159	9,159

Bowtie Television Limited
Notes to the Financial Statements
For the year ended 31 December 2021

9. DEBTORS

	2021	2020
	£	£
Other debtors	176,249	67,023
Amounts owed by group undertakings	12,704,604	10,609,771
Trade debtors	339,971	491,197
Deferred tax	45,418	41,095
	<hr/>	<hr/>
Total debtors	<u>13,266,242</u>	<u>11,209,086</u>

All related party transactions are at arm's length and all debtor balances as at 31 December 2021 are included within the debtors note above.

Amounts owed by group undertakings represents cash held as part of a group cash pooling arrangement, which is used to manage its working capital requirements.

Intercompany balances are re-payable on demand and are in relation to monies held as part of a group cash pooling arrangement which the Company is able to draw down on at any time.

10. CASH AT BANK

At 31 December 2021 cash at bank consisted of balances held in petty cash £813 (2020: £706). The prior year balance included petty cash and the Barclays bank account which has since been closed.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Amounts owed to group undertakings	798,103	435,818
Accruals and deferred revenue	452,688	332,394
Trade creditors	18,789	37,792
Other taxes and social security costs	285,992	649,322
Other creditors	1,563	3,839
	<hr/>	<hr/>
Total creditors: amounts falling due within one year	<u>1,557,135</u>	<u>1,459,165</u>

All related party transactions are at arm's length and all creditor balances as at 31 December 2021 are included within the creditors note above

Amounts payable to group undertakings are payable on demand and are in relation to trading between group entities.

Bowtie Television Limited
Notes to the Financial Statements
For the year ended 31 December 2021

12. DEFERRED TAXATION

The deferred tax is attributable to temporary differences on the following:

	31 December 2021 £	31 December 2020 £
Origination and short-term timing	6,856	30,686
Adjustment in respects of previous periods	27,552	10,182
Effects of changes in tax	11,010	227
	<hr/>	<hr/>
Total deferred tax	45,418	41,095
	<hr/>	<hr/>

Movements for the year have been recognised in the statement of comprehensive income. In 2021, there was a deferred tax movement amounting to £4,323 (2020: £14,818).

The deferred tax asset has increased from the difference of the fixed assets net book value and tax written down value of £45,418 (2020: £41,095).

The deferred tax debtor is expected to unwind within 12 months of the balance sheet date.

13. CALLED-UP SHARE CAPITAL

	2021 £	2020 £
<i>Allotted, called-up and fully paid</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

All shares in issue carry equal voting and dividend rights.

At 31 December 2021 there are 100 ordinary shares in issue which are held by NEP UK and Ireland Group Limited (formerly known as NEP UK Film II Limited), a company incorporated in the United Kingdom and registered in England and Wales.

The largest group which prepares group financial statements in which the Company is included is NEP Group Holdings LP., a company incorporated in the United States of America. These group financial statements are not publicly available.

The smallest group which prepares group financial statements in which the Company is included is NEP UK Film I Limited. The address of NEP UK Film I Limited is Unit 2 Sussex Manor Business Park, Gatwick Road, Crawley, UK, RH10 9NH. These group financial statements are publicly available.

The ultimate parent company and controlling party is NEP Group Holdings, LP, a company incorporated in Delaware, USA. NEP Group Holdings, Inc. is the parent undertaking of the largest and only other group of undertakings to consolidate these financial statements at 31 December 2021. The financial statements of NEP Group Holdings, L.P. are not publicly available. The registered office of NEP Group, L.P. is 2 Beta Drive, Pittsburgh, PA 15238, USA.

Bowtie Television Limited

Notes to the Financial Statements

For the year ended 31 December 2021

13. CALLED-UP SHARE CAPITAL (continued)

The ultimate controlling party of the Company has entered into a number of credit agreements which are guaranteed on a senior basis by all of the subsidiaries within the NEP worldwide group, including Bowtie Television Limited, and are collateralized by substantially all of the assets of the NEP worldwide group's subsidiaries.

14. SHAREHOLDERS' FUNDS

At 31 December 2021 shareholders' funds consisted of called-up share capital representing the nominal value of shares that have been issued, and the retained earnings account which includes all current and prior year retained profits and losses.

15. DIVIDENDS

There were no dividends declared during the year (2020: £Nil)

16. FINANCIAL COMMITMENTS

At 31 December 2021, the Company had the following commitments under non-cancellable operating leases:

	31 December 2021	31 December 2020
	£	£
Land and buildings		
<i>Operating leases which expire:</i>		
Not later than one year	-	20,000
Total	-	20,000

17. PENSION COMMITMENTS

At 31 December 2021, the employees of the Company were members of private pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. During the year, contributions payable amounted to £89,120 (2020: £75,003). At 31 December 2021, outstanding contributions amounted to £1,564 (2020: £3,839).

18. SUBSEQUENT EVENTS

There have been no material events subsequent to the reporting date which necessitate revision of the figures or disclosures included in the financial statements.