

Tinopolis Facilities Limited

Annual report and financial statements

Registered number 2589217

For the year ended 30 September 2019

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Strategic Report

Principal activities

The principal activity of the company is to provide facilities for the making of television, online and other audio-visual productions.

Review of business and principal risks

The company generated a profit before tax of £352,000 (2019: £543,000). The profit and loss account for the year is set out on page 4.

The principal risks facing the company are its exposure to credit and interest rate risks which arise in the normal course of the business.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the balance sheet date there were no significant concentrations of credit risk.

Interest rate risk

Interest payable reflects the cost of the company's borrowings. Interest receivable arises from investment of cash and short term deposits held by the Company. Interest rate risk is managed by monitoring market rates to ensure that optimal returns are achieved.

By order of the board



R G Thomas
Director

Tinopolis Centre
Park Street
Llanelli
SA15 3YE

19th December 2019

Directors' report

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

Directors

The directors of the Company during the year were:

Mr OGR Jones
Mrs RG Thomas
Mr A Rees
Mrs J Roberts


Dividends

The directors do not recommend payment of a dividend (2018: *£nil*)

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2018: *£nil*)

On behalf of the Board



R G Thomas
Director

Tinopolis Centre
Park Street
Llanelli
Carmarthenshire
SA15 3YE

19th December 2019

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

The directors are responsible for preparing the Directors' 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
Turnover	2	7,147	7,310
Cost of sales		(4,607)	(4,667)
Gross profit		2,540	2,643
Administrative expenses		(2,188)	(2,100)
Operating profit and profit on ordinary activities before taxation		352	543
Tax on profit on ordinary activities	6	(189)	(153)
Profit for the financial year		163	390
Total comprehensive income for the year		163	390

All amounts relate to continuing activities.

The notes on pages 7 to 15 form part of the financial statements.

Balance sheet
At 30 September 2019

	<i>Note</i>	2019	2018
		£000	£000
Fixed assets			
Tangible assets	7	915	928
		<u>915</u>	<u>928</u>
Current assets			
Debtors	8	4,690	3,885
Cash at bank and in hand		106	91
		<u>4,796</u>	<u>3,976</u>
Creditors: amounts falling due within one year	9	(2,259)	(1,615)
		<u>2,537</u>	<u>2,361</u>
Net current assets			
		<u>3,452</u>	<u>3,289</u>
Total assets less current liabilities and net assets			
		<u>3,452</u>	<u>3,289</u>
Capital and reserves			
Called up share capital	11	868	868
Share premium	11	30	30
Profit and loss account		2,554	2,391
		<u>3,452</u>	<u>3,289</u>
Shareholders' funds			
		<u>3,452</u>	<u>3,289</u>

The notes on pages 7 to 15 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 on 19th December 2019.



R G Thomas
Director

Statement of Changes in Equity

	Called up Share capital £000	Share Premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2017	868	30	2,001	2,899
Total comprehensive income for the period				
Profit for the period	-	-	390	390
Balance at 30 September 2018	868	30	2,391	3,289

	Called up Share capital £000	Share Premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2018	868	30	2,391	3,289
Total comprehensive income for the period				
Profit for the period	-	-	163	163
Balance at 30 September 2019	868	30	2,554	3,452

The notes on pages 7 to 15 form part of the financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

Basis of preparation

Tinopolis Facilities Limited (the “Company”) is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

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 17.

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

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- 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.

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

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with Financial Reporting standard 101 *Reduced disclosure framework* requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is given below:

Critical estimates and judgements have been considered but there are not deemed to be any with this entity.

Notes (continued)

1 Accounting policies (continued)

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

IFRS 15: Revenue from contracts with customers establishes a comprehensive framework for determining whether, how much and when revenue is recognised, replacing IAS 18 Revenue. The Company has adopted IFRS 15 with effect of initially applying this standard recognised at the date of initial application of 1 October 2018. The Company considers the current basis of revenue recognition to remain appropriate because the accounting policies support the recognition of revenue in line with the performance obligations identified under IFRS 15. The Company has initially applied the cumulative effect method, as such there is no comparative information. Therefore, the Company considers that the initial application of IFRS 15 has no significant change or impact on the Company's accounting policies applied in its 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 a significant effect on the classification and measurement of financial assets and financial liabilities, so the comparative periods have not been restated.

Adopted IFRS not yet applied

Certain IFRSs have been issued but have not been applied by the Company in these financial statements as their effective date has not yet been reached. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.

IFRS 16 'Leases' was released in January 2016 and replaces IAS 17 leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard requires all leases (excluding short term and leases of low value items) to be recognised as an asset on the balance sheet, with a corresponding lease liability. Lessees will be required to separately recognise the interest expense on the lease liability and depreciation expense of the right-of-use asset, the directors are currently evaluating the impact of the adoption of this standard on future periods on the treatment of the Company's short leasehold properties which are currently being accounted for as operating leases under IAS 17.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors have considered the factors that impact the company's future development, performance, cash flows and financial position along with the company's current liquidity in forming their opinion on the going concern basis. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover and profit from productions

Revenue represents amounts receivable for services in producing programmes and is stated net of VAT. Turnover is recognised when the performance obligation has been met. The services will be recognised on an over time basis using the resources consumed method.

1.4 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Notes (continued)

1 Accounting policies (continued)

1.5 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.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Short Life studio cameras and post production equipment	-	20% - 25% straight line
Outside Broadcast and long life studio equipment	-	15% - 20% reducing balance
Fixtures and fittings and computer equipment	-	15% - 25% straight line
Motor vehicles	-	25% straight line

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 Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.9 Non-derivative financial instruments

Non-derivative financial instruments comprise 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.

Notes (continued)

2 Turnover

All of the turnover is derived from the company's principal activity and operations within the United Kingdom.

The Company has initially applied IFRS15 using cumulative effect method, whereby all 2019 revenue balances relate to services transferred over time. Under this method, the comparative information is not restated.

Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities. There was no adjustment to opening balances at 1 October 2018 from applying IFRS15.

	30 September 2019 £'000	1 October 2018 £'000
Receivables (note 8)	26	14
Contracts assets	-	80
Contract liabilities	(31)	(123)

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the customer is invoiced. The contract liabilities primarily relate to the advance consideration received from the customer.

The Company applies the practical expedient in IFRS15 and does not disclose the information about remaining performance obligations that have original expected durations of one year or less.

3 Auditor's remuneration

	2019 £000	2018 £000
Audit of these financial statements	9	9

4 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
Production	92	98
Administration	16	17
	<u>108</u>	<u>115</u>

Notes (continued)

4 Employees (continued)

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

	2019 £000	2018 £000
Wages and salaries	3,582	3,743
Social security costs	365	383
Pension costs	183	105
	<u>4,130</u>	<u>4,231</u>

5 Directors' remuneration

The cost of service provided by the directors is £101,000 (2018: £101,000) of which £5,000 (2018: £5,000) has been borne by other companies. The emoluments of the highest paid director is £77,000 (2018: £76,000).

6 Taxation

Recognised in the profit and loss account

	2019 £000	2018 £000
<i>UK corporation tax</i>		
Current tax on income for the year	164	102
Adjustment in respect of prior year	6	(8)
Total current tax charge	<u>170</u>	<u>94</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	19	59
Tax charge on profit on ordinary activities	<u>189</u>	<u>153</u>

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 higher (2018: higher) than the standard rate of corporation tax in the UK 19% (2018: 19%) the differences are explained overleaf.

Notes (continued)

6 Taxation (continued)

Reconciliation of effective tax rate

	2019 £000	2018 £000
Profit on ordinary activities before taxation	352	543
Profit on ordinary activities at the UK tax rate 19% (2018: 19 %)	67	103
<i>Effects of</i>		
Expenses/income not chargeable for tax purposes	84	-
Transfer pricing adjustment	32	24
Accelerated capital allowances and other timing differences	-	34
Adjustments to tax charge in respect of previous period	6	(8)
Total tax expense	189	153

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 2017. This will reduce the company's future current tax charge accordingly.

7 Tangible assets

	Studio/post production/outside broadcast equipment £000	Fixtures & fittings and computer equipment £000	Motor vehicles £000	Total £000
<i>Cost</i>				
At 1 October 2018	3,923	982	286	5,191
Additions	235	81	-	316
Disposals	-	(24)	-	(24)
At 30 September 2019	4,158	1,039	286	5,483
<i>Depreciation</i>				
At 1 October 2018	3,180	879	204	4,263
Charge for the year	248	45	36	329
On disposals	-	(24)	-	(24)
At 30 September 2019	3,428	900	240	4,568
<i>Net book value</i>				
At 30 September 2019	730	139	46	915
At 30 September 2018	743	103	82	928

Notes (continued)

8 Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	26	14
Amounts owed by group undertakings	4,543	3,652
Prepayments and accrued income	31	110
Deferred tax asset (note 10)	90	109
	<u>4,690</u>	<u>3,885</u>
Amounts owed by group undertakings are interest free and repayable on demand.		

9 Creditors

	2019 £000	2018 £000
Trade creditors	67	54
Amounts owed to group undertakings	1,765	1,053
Other taxation and social security	77	85
Accruals and deferred income	350	423
	<u>2,259</u>	<u>1,615</u>
Amounts owed to group undertakings are interest free and payable on demand.		

10 Deferred taxation

		Deferred Taxation £000
Balance at 1 October 2018		(109)
Charge to profit and loss account		19
		<hr/>
Balance at 30 September 2019		(90)
		<hr/>
The deferred tax asset is made up as follows:	2019 £000	2018 £000
Accelerated capital allowances	(90)	(109)

Notes (continued)

11 Called up share capital & reserves

	2019 £000	2018 £000
Allotted, called up and fully paid 868,172 ordinary shares of £1 each	868	868
Share premium	30	30

12 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2019 £000	2018 £000
Less than one year	51	36
Between one and five years	57	27
	108	63

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 £183,000 (2018: £105,000).

There were £27,000 (2018: £15,000) outstanding contributions due to the scheme at the end of the financial year.

Notes (continued)

15 Related party transactions

During the year, the company participated in the following transactions with related parties which are not part of the same wholly owned group:

Party	Transaction	Amount	
		2019 £000	2018 £000
Fiction Factory Limited	Production services	-	45

There were no outstanding balances at either year end

16 Subsequent Events

There have been no subsequent events to the balance sheet date.

17 Ultimate parent undertaking

The company is a subsidiary 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.