

Asia TV Limited

Annual Report and Financial Statements

For the year ended 31 March 2020

Company Registration No. 2716006 (England and Wales)

Asia TV Limited

Company Information

Directors	A Goenka A Davis P Goel
Secretary	P Goel
Company number	2716006
Registered office	Lower Ground Floor One George Yard London United Kingdom EC3V 9DF
Auditor	Moore Kingston Smith LLP Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL
Business address	14-15 Carlisle Street London United Kingdom W1D 3BS

Asia TV Limited

Strategic Report

For the year ended 31 March 2020

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Results for the year

The key performance indicators for the company are total sales earned through distribution of content supplied by Asia Today Limited. Asia T.V. Limited distributes the content on various DTH (direct to home), cable and other internet platforms in UK & Europe to South Asian mainstream viewers in the territory. As shown in the company's profit and loss account on page 8, the company's sales have increased to £18,810,157 because of increase in royalties from USA in 2019-20; profit after tax has increased from £737,384 to £933,226. The performance of Asia T.V. Limited is discussed in Zee Entertainment Enterprises Limited's annual report which does not form part of this report.

Business review and principal activities

Asia T.V. Limited is a wholly-owned subsidiary of Asia Today Limited, Mauritius and is limited by shares. Asia Today Limited's parent company is Zee Entertainment Enterprises Ltd (ZEEL), India.

The company's principal activity is distributing television channels and VoD(video on demand) content of ATL Media Ltd Mauritius, which are under the brand Zee and Zee5 in the UK and in Mainland Europe, USA & Canada through subsidiary companies. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Asia T.V. Limited is committed to providing the highest levels of entertainment and we are confident of being able to offer viewers an attractive enrichment to the existing range of television offerings. Asia T.V. Limited participated and sponsored some of the country's biggest South Asian ground events such as Zee London Mela, Zee Luton Mela and Zee Manchester Mela and reached to over a million people through various activities. The year 2019-20 marked an important year for Asia TV UK. We have managed to take concrete steps towards establishing the building blocks of the Zee5 digital business as well as transitioning the linear television channels to a very lean model with an ultimate aim to go a 100% digital company. We have optimised the business by carrying on two flagship channels Zee TV and Zee Cinema in the territory. The business has taken some bold steps to ensure digital business can grow aggressively on a hybrid SVoD (subscription video-on-demand) and AVoD (advertising video-on-demand) model and is well placed to achieve its business objectives for digital in the forthcoming years. With Zee 5, the company is able to enhance its growth in the digital ecosystem and expanding its presence beyond traditional satellite and cable platforms, and make Zee5 as the preferred OTT (over-the-top streaming) destination for the entertainment for South Asians in the territory.

The company is investing in research in expanding markets for new product launches.

Employees are our vital and most valuable assets. The directors value the professionalism and commitment of all employees of the company and place on record their appreciation of the contribution made by them, which has contributed to the company's success.

Principal risks and uncertainties

In determining the principal risks and uncertainties affecting the company, the directors have considered the impact of COVID-19 and the measures taken to contain it on the company. Whilst the ultimate impact cannot currently be quantified, given the nature of the company's activities the directors do not believe that the impact on the company will be significant.

On behalf of the board

P Goel

Director

30 April 2020

Asia TV Limited

Directors' Report

For the year ended 31 March 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of distributing television channels and VoD (Video On Demand) content of Asia Today Limited.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Goenka
A Davis
P Goel

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks, including credit risk, foreign exchange and liquidity risk. In the directors' opinion there is very limited exposure to price risk or liquidity risk. The company currently has sufficient cash to fund its activities; however, in the event that additional liquidity is required, funds are provided by its ultimate parent, Zee Entertainment Enterprises Limited as and when required.

Exchange risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company does not currently use financial derivatives or currency hedging on its financial activities. Foreign currency transactions are, where possible, kept to a minimum and are in stable currencies. The directors keep the situation under review and consult with Zee Entertainment Enterprises Limited with regard to appropriate risk management.

Credit risk

The company's principal financial assets are bank balances and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Asia T.V. Limited's new initiatives and plans for 2020 are discussed in the strategic report.

Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Asia TV Limited

Directors' Report (Continued)

For the year ended 31 March 2020

On behalf of the board

P Goel

Director

30 April 2020

Asia TV Limited

Directors' Responsibilities Statement

For the year ended 31 March 2020

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). 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;
- 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.

Asia TV Limited

Independent Auditor's Report

To the Member of Asia TV Limited

Opinion

We have audited the financial statements of Asia TV Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Asia TV Limited

Independent Auditor's Report (Continued)

To the Member of Asia TV Limited

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the 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.

Asia TV Limited

Independent Auditor's Report (Continued)

To the Member of Asia TV Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Parveen Chadda (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

30 April 2020

Chartered Accountants
Statutory Auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Asia TV Limited

Statement of Comprehensive Income

For the year ended 31 March 2020

	Notes	2020 £	2019 £
Turnover	3	18,810,157	15,838,393
Administrative expenses		(17,583,399)	(14,808,597)
Operating profit	4	1,226,758	1,029,796
Interest payable and similar expenses	7	(4,187)	(6,785)
Profit before taxation		1,222,571	1,023,011
Taxation	8	(289,345)	(285,627)
Profit for the financial year		933,226	737,384

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

Asia TV Limited

Balance Sheet

As at 31 March 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		69,348		87,944
Investments	11		13,118		13,118
			<u>82,466</u>		<u>101,062</u>
Current assets					
Debtors	13	37,911,083		32,370,096	
Cash at bank and in hand		<u>2,056,051</u>		<u>1,729,567</u>	
			39,967,134		34,099,663
Creditors: amounts falling due within one year	14	<u>(26,670,870)</u>		<u>(21,755,221)</u>	
Net current assets			<u>13,296,264</u>		<u>12,344,442</u>
Total assets less current liabilities			13,378,730		12,445,504
Provisions for liabilities	15		<u>(134,000)</u>		<u>(134,000)</u>
Net assets			<u>13,244,730</u>		<u>12,311,504</u>
Capital and reserves					
Called up share capital	17	16,438,900		16,438,900	
Profit and loss reserves		<u>(3,194,170)</u>		<u>(4,127,396)</u>	
Total equity			<u>13,244,730</u>		<u>12,311,504</u>

The financial statements were approved by the board of directors and authorised for issue on 30 April 2020 and are signed on its behalf by:

P Goel
Director

Company Registration No. 2716006

Asia TV Limited

Statement of Changes in Equity

For the year ended 31 March 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2018	16,438,900	(4,864,780)	11,574,120
Year ended 31 March 2019:			
Profit and total comprehensive income for the year	-	737,384	737,384
Balance at 31 March 2019	16,438,900	(4,127,396)	12,311,504
Year ended 31 March 2020:			
Profit and total comprehensive income for the year	-	933,226	933,226
Balance at 31 March 2020	16,438,900	(3,194,170)	13,244,730

Asia TV Limited

Notes to the Financial Statements

For the year ended 31 March 2020

1 Accounting policies

Company information

Asia TV Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lower Ground Floor, One George Yard, London, United Kingdom, EC3V 9DF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Consolidated accounts have not been prepared because the company's results are consolidated in the publicly available accounts of Zee Entertainment Enterprises Limited, a company incorporated in India. Accordingly, these financial statements represent information about the company as an individual undertaking and not about the group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the impact of the COVID-19 outbreak and the measures taken to contain it on the company and whilst the ultimate impact cannot currently be quantified, given the nature of the company's activities the directors do not believe that the impact will be significant. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents subscriptions earned for services rendered during the period stated net of valued added tax and net of discounts. Subscriptions paid in advance are recognised as deferred income in the balance sheet. Advertising revenues are recognised upon the telecast of advertisements and subscription revenue of a time basis on the provision of television broadcasting to subscribers. Syndication income is recognised upon the delivery of the content with consideration to whether Asia TV Limited is acting as an agent or principle in a transaction and therefore recognises income net or gross respectively.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Shorter of useful life or lease term
Fixtures and fittings	20% straight line
Computer equipment	33% straight line
Computers - Servers & networks	17% straight line
Studio and equipment	20% straight line
Office equipment	10% straight line

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.14 Exemptions

Asia TV Limited meets the definition of a qualifying entity under FRS 102. Exemptions have been taken in relation to remuneration of key management personnel, intra-group related party transactions and the presentation of a cash flow statement.

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The critical judgements that the directors' have made in the process of applying the company's accounting policies and that the most significant effects on the amounts recognised in the financial statements are in respect of:

- the judgement made by the directors concerning the extent of recoverability of the deferred tax asset of £141,968. This is based on budgeted future taxable profits covering a period for which the directors consider there to be sufficient certainty in order to recognise the asset (see note 16); and
- the judgement surrounding whether Asia TV Limited acts as the principal or agent in the trading relationship and is therefore able to recognise gross or net receipts for royalty and licence income received from third parties and subsidiaries.
- The judgement regarding the collectability and need for a provision in respect of certain trade receivables.

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

3 Turnover and other revenue

The turnover derives from the principal activity of the company which is that of distributing television channels and VoD content of Asia Today Limited Mauritius, which are under the brand Zee in UK and Europe, namely Zee TV, Zee Cinema and Zee5 in the UK and Europe catering mainly for the Asian community.

The royalty income derives from distribution of content in the USA and Canada subsidiaries.

The exemption to show the turnover by destination has been taken as in the opinion of the directors, disclosure of the information would be seriously prejudicial to the interests of the company.

The revenue from UK and licence fee from subsidiaries are as below:

	2020	2019
	£	£
Turnover analysed by class of business		
Operating income	8,572,886	11,155,791
Royalty income	10,234,453	4,677,164
Other income	2,818	5,438
	<u>18,810,157</u>	<u>15,838,393</u>

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	20,774	48,922
Impairment of owned tangible fixed assets	-	55,595
	<u>20,774</u>	<u>104,517</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Production	-	2
Sales	4	7
Administration	6	7
	<u>10</u>	<u>16</u>

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

6 Directors' remuneration

	2020 £	2019 £
Directors' emoluments	106,297	110,122

None of the directors hold any share options. The company operates a defined contribution pension scheme. The aggregate for the directors of the company was £3,101 (2019: £2,495). During the period, 1 director (2019: 1) was remunerated by the company. The remaining directors were remunerated by other group companies for their services to the group as a whole and it is not practicable to apportion their remuneration between the companies of which they are a director.

7 Interest payable and similar expenses

	2020 £	2019 £
Other interest	4,187	6,785

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	147,377	-
Foreign current tax on profits for the current period	-	41,633
Total current tax	147,377	41,633
Deferred tax		
Origination and reversal of timing differences	141,968	243,994
Total tax charge	289,345	285,627

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,222,571	1,023,011
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)</i>	232,288	194,372
Tax effect of expenses that are not deductible in determining taxable profit	74,303	73,917
Tax effect of utilisation of tax losses not previously recognised	(130,049)	-
Other non-reversing timing differences	36,936	-
Foreign Tax Paid	(66,101)	33,723
Movement in accelerated capital allowances	-	8,863
Movement in Deferred Tax on short term trading differences	141,968	3,094
Effect of difference in tax rate at which losses were relieved & previously recognised	-	(28,342)
Taxation charge for the year	289,345	285,627

9 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2020 £	2019 £
In respect of:			
Property, plant and equipment	10	-	55,595
Recognised in:			
Administrative expenses		-	55,595

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

10 Tangible fixed assets									
		Leasehold improvements	Fixtures and fittings	Computer equipment	Studio and office equipment			Total	
		£	£	£	£	£	£	£	
Cost									
At 1 April 2019		327,241	210,888	309,928	404,149	224,618	1,476,824		
Additions		-	-	2,178	-	-	2,178		
Disposals		(327,241)	(200,982)	(295,163)	(282,204)	(208,312)	(1,313,902)		
At 31 March 2020		-	9,906	16,943	121,945	16,306	165,100		
Depreciation and impairment									
At 1 April 2019		327,241	203,562	305,863	336,836	215,378	1,388,880		
Depreciation charged in the year		-	2,302	3,662	11,693	3,117	20,774		
Eliminated in respect of disposals		(327,241)	(200,982)	(295,163)	(282,204)	(208,312)	(1,313,902)		
At 31 March 2020		-	4,882	14,362	66,325	10,183	95,752		
Carrying amount									
At 31 March 2020		-	5,024	2,581	55,620	6,123	69,348		
At 31 March 2019		-	7,326	4,065	67,313	9,240	87,944		

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

10 Tangible fixed assets

(Continued)

More information on the impairment arising in the year is given in note 9.

11 Fixed asset investments

		2020 £	2019 £
Investments in subsidiaries	12	13,118	13,118

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	% Held Direct
Zee CIS Holdings	Russia	100
Zee CIS LLC	Russia	49
Asia Multimedia Distribution Inc.	Canada	100
Zee TV South Africa Proprietary Ltd	South Africa	100
Asia TV USA Ltd	USA	100
Asia TV GmbH	Germany	100

Other than Zee CIS Holdings, the subsidiary companies have the same principal activities being a distributor of TV and digital products, earnings revenues, holding various ground events, production of local content, sale of programmes and other marketing and promotional activities. The principal activity of Zee CIS Holdings is a holding company. Investments in subsidiaries are accounted at cost. The company is exempt from the obligation to prepare group accounts as the accounts get consolidated with the parent company.

Zee CIS Holdings & Zee CIS LLC - Building 40/12, Korpus 2, Nizhnaya Krasnoselskaya St, 105066, Moscow, Russia, Office 330

Asia Multimedia Distribution Inc - 3660 Hurontario Street, Suite 303, Mississauga, Ontario, L5B 3C4

Zee TV South Africa Proprietary Ltd - Two Eglin Road, Sunninghill, 2157

Asia TV USA Ltd - 200 Middlesex-Essex Turnpike, Suite 202, Iselin, NJ 08830

Asia TV GmbH - Nymphenburger Str.86, Munich 80636

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	5,305,742	5,943,546
Amounts due from group undertakings	32,359,696	25,989,259
Other debtors	156,260	207,448
Prepayments and accrued income	89,385	87,875
	<u>37,911,083</u>	<u>32,228,128</u>
Deferred tax asset (note 16)	-	141,968
	<u>37,911,083</u>	<u>32,370,096</u>

Included within trade debtors is an amount due in greater than one year £3,951,388 (2019: £3,317,429).

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	138,540	73,025
Amounts due to group undertakings	25,632,960	21,146,509
Corporation tax	147,377	-
Other taxation and social security	166,407	138,628
Other creditors	160,564	112,509
Accruals and deferred income	425,022	284,550
	<u>26,670,870</u>	<u>21,755,221</u>

15 Provisions for liabilities

	2020 £	2019 £
Dilapidations	<u>134,000</u>	<u>134,000</u>

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2020 £	Assets 2019 £
Balances:		
Tax losses	<u>-</u>	<u>141,968</u>

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

16 Deferred taxation		(Continued)
		2020
Movements in the year:		£
Liability/(Asset) at 1 April 2019		(141,968)
Charge to profit or loss		141,968
Liability at 31 March 2020		-

17 Share capital		2020	2019
		£	£
Ordinary share capital			
Issued and fully paid			
16,438,900 Ordinary shares of £1 each	16,438,900	16,438,900	
	<u>16,438,900</u>	<u>16,438,900</u>	

The company has one class of ordinary shares which carry no right to fixed income.

18 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	80,500	23,871
Between two and five years	15,486	-
	<u>95,986</u>	<u>23,871</u>

There are no capital commitments contracted for but not provided (2019: nil).

19 Employee benefits

The company operates defined benefit contribution retirement benefit scheme for all qualifying employees. The total expense charged to profit & loss for the period ended 31 March 2020 is £11,572 (2019: £12,841).

Asia TV Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

20 Other long term benefits

The company operates other long-term employee benefit schemes namely a life insurance scheme for all qualifying employees. The liability rests with the insurance provider, where Asia TV Limited makes monthly payments. The total expense charged to profit & loss for the period ended 31 March 2020 is £738 (2019: £1,342).

21 Related party transactions

The company has taken the exemption, in accordance with FRS 102 - Section 33 "Related Party Disclosures", from disclosing related party transactions entered into between members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

22 Controlling party

The parent undertaking of the largest group which includes the company and for which group financial statements are prepared is Zee Entertainment Enterprises Ltd, a company incorporated in India. The parent undertaking of the smallest group is Asia Today Limited, a company incorporated in Mauritius.

Copies of the group financial statements for both companies are available from Zee Entertainment Enterprises Ltd, 18th Floor, A Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai, 400 013, India.

The directors regard Zee Entertainment Enterprises Ltd as the ultimate controlling party which is also the ultimate parent undertaking. Asia Today Limited is the immediate parent company.

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