

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 July 2019
for
Russia Today TV UK Limited

Contents of the Financial Statements
for the Year Ended 31 July 2019

	Page
Company Information	1
Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	5
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12

DIRECTOR: C Wood

SECRETARY: Stewarts Company Secretary Limited

REGISTERED OFFICE: 271 High Street
Berkhamsted
Hertfordshire
HP4 1AA

REGISTERED NUMBER: 05522952 (England and Wales)

AUDITORS: Colin Gray & Co. Limited
Chartered Accountants
Registered Auditor
Hardy House
Northbridge Road
Berkhamsted
Hertfordshire
HP4 1EF

Strategic Report
for the Year Ended 31 July 2019

The director presents his strategic report for the year ended 31 July 2019.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements with key performance indicators as below.

The company's key financial and other performance indicators during the year were as follows:

Unit 2019 2018

Turnover £'000 15,073 9,951

Gross profit percentage % 68 74

Profit on ordinary activities before taxation £'000 3,524 100

The increase in turnover mainly relates to additional programming for the 2018 football world cup and the commissioning and production of the Alex Salmond Show.

The company will continue with its News and Current Affairs TV Productions and News agency activities. There are pilot shows in Production which we hope to be commissioned in the coming year and will add to the growth of the business. Continuing growth in Social Media and internet platforms offers the potential for increased expansion and delivery of services in these mediums which is constantly being reviewed and developed.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's operations and assets are not very well diversified and there is therefore always a risk of reduced activity due to economic or political factors.

The director views the company's key areas of risk and uncertainties as follows:

- Falling audience figures on mainstream terrestrial TV platforms could result in reduced commissions and investment in current and future TV programming.
-
- Reliance on digital infrastructures and delivery methods. Any interruption to these services could impact our ability to deliver our products to our customers.

However the levels of operational and other risks are considered by the director to be acceptable.

ON BEHALF OF THE BOARD:

C Wood - Director

20 April 2020

Report of the Director
for the Year Ended 31 July 2019

The director presents his report with the financial statements of the company for the year ended 31 July 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of television production and broadcasting.

The place of business is:

Millbank Tower
21-24 Millbank
London
SW1P 4QP
United Kingdom

DIVIDENDS

Interim dividends per share were paid as follows:

£100,000	- 28 December 2018
£150,000	- 23 April 2019
<u>£250,000</u>	

The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 July 2019 will be £ 250,000 .

DIRECTOR

C Wood held office during the whole of the period from 1 August 2018 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he 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 auditors are aware of that information.

Report of the Director
for the Year Ended 31 July 2019

AUDITORS

The auditors, Colin Gray & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C Wood - Director

20 April 2020

Opinion

We have audited the financial statements of Russia Today TV UK Limited (the 'company') for the year ended 31 July 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 July 2019 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 Auditors' 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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.

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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director 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 or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Other Matter

The financial statements of the Company for the year ended 31st July 2018, were unaudited.

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 a Report of the Auditors 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.

Peter Brimmell (Senior Statutory Auditor)
for and on behalf of Colin Gray & Co. Limited
Chartered Accountants
Registered Auditor
Hardy House
Northbridge Road
Berkhamsted
Hertfordshire
HP4 1EF

27 April 2020

Statement of Comprehensive Income
for the Year Ended 31 July 2019

	Notes	31.7.19 £	31.7.18 £
TURNOVER		15,072,802	9,950,500
Cost of sales		<u>4,863,181</u>	<u>2,565,210</u>
GROSS PROFIT		10,209,621	7,385,290
Administrative expenses		<u>6,698,129</u>	<u>7,289,273</u>
OPERATING PROFIT	4	3,511,492	96,017
Interest receivable and similar income		<u>12,520</u>	<u>3,789</u>
PROFIT BEFORE TAXATION		3,524,012	99,806
Tax on profit	5	<u>680,379</u>	<u>30,117</u>
PROFIT FOR THE FINANCIAL YEAR		2,843,633	69,689
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
FOR THE YEAR		<u>2,843,633</u>	<u>69,689</u>

The notes form part of these financial statements

Balance Sheet
31 July 2019

	Notes	31.7.19 £	£	31.7.18 £	£
FIXED ASSETS					
Tangible assets	7		881,691		1,096,186
CURRENT ASSETS					
Debtors	8	351,034		2,607,447	
Cash at bank and in hand		<u>6,829,541</u>		<u>3,369,246</u>	
		7,180,575		5,976,693	
CREDITORS					
Amounts falling due within one year	9	<u>5,206,835</u>		<u>6,795,814</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>1,973,740</u>		<u>(819,121)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,855,431		277,065
PROVISIONS FOR LIABILITIES	10		<u>31,957</u>		<u>47,224</u>
NET ASSETS			<u>2,823,474</u>		<u>229,841</u>
CAPITAL AND RESERVES					
Called up share capital	11		1		1
Retained earnings	12		<u>2,823,473</u>		<u>229,840</u>
SHAREHOLDERS' FUNDS			<u>2,823,474</u>		<u>229,841</u>

The financial statements were approved by the director and authorised for issue on 20 April 2020 and were signed by:

C Wood - Director

Statement of Changes in Equity
for the Year Ended 31 July 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2017	1	773,151	773,152
Changes in equity			
Dividends	-	(613,000)	(613,000)
Total comprehensive income	-	69,689	69,689
Balance at 31 July 2018	<u>1</u>	<u>229,840</u>	<u>229,841</u>
Changes in equity			
Dividends	-	(250,000)	(250,000)
Total comprehensive income	-	2,843,633	2,843,633
Balance at 31 July 2019	<u>1</u>	<u>2,823,473</u>	<u>2,823,474</u>

Cash Flow Statement
for the Year Ended 31 July 2019

	Notes	31.7.19 £	31.7.18 £
Cash flows from operating activities			
Cash generated from operations	1	3,785,717	1,561,466
Tax paid		(21,458)	(228,959)
Net cash from operating activities		<u>3,764,259</u>	<u>1,332,507</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(84,984)	(779,672)
Sale of tangible fixed assets		18,500	8,001
Interest received		12,520	3,789
Net cash from investing activities		<u>(53,964)</u>	<u>(767,882)</u>
Cash flows from financing activities			
Amount withdrawn by directors		-	(525)
Equity dividends paid		(250,000)	(613,000)
Net cash from financing activities		<u>(250,000)</u>	<u>(613,525)</u>
Increase/(decrease) in cash and cash equivalents		<u>3,460,295</u>	<u>(48,900)</u>
Cash and cash equivalents at beginning of year	2	3,369,246	3,418,146
Cash and cash equivalents at end of year	2	<u><u>6,829,541</u></u>	<u><u>3,369,246</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 July 2019

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.7.19	31.7.18
	£	£
Profit before taxation	3,524,012	99,806
Depreciation charges	283,588	331,901
Profit on disposal of fixed assets	(2,608)	(1,891)
Finance income	(12,520)	(3,789)
	<u>3,792,472</u>	<u>426,027</u>
Decrease/(increase) in trade and other debtors	2,256,413	(2,277,553)
(Decrease)/increase in trade and other creditors	<u>(2,263,168)</u>	<u>3,412,992</u>
Cash generated from operations	<u>3,785,717</u>	<u>1,561,466</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2019

	31.7.19	1.8.18
	£	£
Cash and cash equivalents	<u>6,829,541</u>	<u>3,369,246</u>

Year ended 31 July 2018

	31.7.18	1.8.17
	£	£
Cash and cash equivalents	<u>3,369,246</u>	<u>3,418,146</u>

Notes to the Financial Statements
for the Year Ended 31 July 2019

1. **STATUTORY INFORMATION**

Russia Today TV UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to Property	- 10% on cost
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

3. EMPLOYEES AND DIRECTORS

	31.7.19	31.7.18
	£	£
Wages and salaries	3,690,406	4,002,257
Social security costs	394,657	437,697
Other pension costs	43,572	34,375
	<u>4,128,635</u>	<u>4,474,329</u>

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

	31.7.19	31.7.18
Full time	<u>83</u>	<u>80</u>
Director's remuneration	<u>147,459</u>	<u>133,719</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.7.19	31.7.18
	£	£
Hire of plant and machinery	416	2,559
Depreciation - owned assets	283,587	331,902
Profit on disposal of fixed assets	(2,608)	(1,891)
Auditors' remuneration	10,000	-
Foreign exchange differences	<u>(4,507)</u>	<u>11,368</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.7.19	31.7.18
	£	£
Current tax:		
UK corporation tax	695,646	21,457
Deferred tax	<u>(15,267)</u>	<u>8,660</u>
Tax on profit	<u>680,379</u>	<u>30,117</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

5. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.7.19 £	31.7.18 £
Profit before tax	<u>3,524,012</u>	<u>99,806</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	669,562	18,963
Effects of:		
Expenses not deductible for tax purposes	8	345
Income not taxable for tax purposes	(496)	(359)
Depreciation in excess of capital allowances	26,572	2,508
Deferred Tax	<u>(15,267)</u>	<u>8,660</u>
Total tax charge	<u>680,379</u>	<u>30,117</u>

6. **DIVIDENDS**

	31.7.19 £	31.7.18 £
Ordinary Shares share of £1 Interim	<u>250,000</u>	<u>613,000</u>

7. **TANGIBLE FIXED ASSETS**

	Improvements to Property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 August 2018	568,908	1,326,877	138,455	2,034,240
Additions	-	46,814	38,170	84,984
Disposals	-	-	(37,670)	(37,670)
At 31 July 2019	<u>568,908</u>	<u>1,373,691</u>	<u>138,955</u>	<u>2,081,554</u>
DEPRECIATION				
At 1 August 2018	294,523	589,897	53,634	938,054
Charge for year	56,891	195,948	30,748	283,587
Eliminated on disposal	-	-	(21,778)	(21,778)
At 31 July 2019	<u>351,414</u>	<u>785,845</u>	<u>62,604</u>	<u>1,199,863</u>
NET BOOK VALUE				
At 31 July 2019	<u>217,494</u>	<u>587,846</u>	<u>76,351</u>	<u>881,691</u>
At 31 July 2018	<u>274,385</u>	<u>736,980</u>	<u>84,821</u>	<u>1,096,186</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.7.19	31.7.18
	£	£
Other debtors	126,495	137,359
VAT	146,435	222,753
Prepayments and accrued income	78,104	2,247,335
	<u>351,034</u>	<u>2,607,447</u>

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.7.19	31.7.18
	£	£
Trade creditors	2,946	8,013
Tax	695,646	21,457
Social security and other taxes	-	118,430
Other creditors	10,844	6,781
Directors' current accounts	83	83
Accruals and deferred income	4,497,316	6,641,050
	<u>5,206,835</u>	<u>6,795,814</u>

10. **PROVISIONS FOR LIABILITIES**

	31.7.19	31.7.18
	£	£
Deferred tax	<u>31,957</u>	<u>47,224</u>
		Deferred tax
		£
Balance at 1 August 2018		47,224
Provided during year		(15,267)
Balance at 31 July 2019		<u>31,957</u>

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			31.7.19	31.7.18
Number:	Class:	Nominal value:	£	£
1	Ordinary Shares	£1	<u>1</u>	<u>1</u>

12. **RESERVES**

	Retained earnings
	£
At 1 August 2018	229,840
Profit for the year	2,843,633
Dividends	(250,000)
At 31 July 2019	<u>2,823,473</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

13. **RELATED PARTY DISCLOSURES**

Entities over which the entity has control, joint control or significant influence

	31.7.19	31.7.18
	£	£
Purchases	<u>166,667</u>	<u>125,000</u>

The company purchased services from Professional Television Services (PTS) Limited on normal commercial terms, a company which is owned 100% by the director.

14. **ULTIMATE CONTROLLING PARTY**

The controlling party is C Wood.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.