Company Registration No. 06019292 (England and Wales)

TIMELINE TELEVISION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

TIMELINE TELEVISION LIMITED

COMPANY INFORMATION

Directors	D McDonnell R M Sewell D Eaves S Littler
Secretary	D McDonnell
Company number	06019292
Registered office	Ealing Studios Ealing Green London W5 5EP
Auditor	Alliotts LLP Imperial House 8 Kean Street London WC2B 4AS

TIMELINE TELEVISION LIMITED

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TIMELINE TELEVISION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report and audited financial statements for the year ended 31 December 2020.

Principal activities

Timeline Television operates principally in the media industry delivering broadcast, production and post-production services to the film, television and internet industries. It specialises in live production, outside broadcast, design of production workflows and the building and management of broadcast studio facilities. Research, development and design of new technological solutions is a fundamental part of its business. It operates fixed post-production facilities as well as television studio facilities. It operates a fleet of mobile outside broadcast trucks and provides services worldwide.

Fair review of the business

The COVID crisis has fundamentally affected the industry and the Company's business.

Despite initial poor expectations for 2020, the business activity levels have held up through the crisis owing to the hard work and collaboration of staff, clients and suppliers. The Company identified early in the year that its remote broadcast facilities designed in previous years would work very well within the required COVID restrictions. The resulting sales income was only reduced by some 10% on the previous year.

The Company entered into a comprehensive research and development program including remote production preparation and systems build amounting to some £3m of investment, which although creating a loss for the year, the new workflows have strengthened the Company's ability to cope with multiple challenges, increased resilience and built improved disaster recovery facilities.

In so doing the Company has increased its fixed facility capacity in Stratford Here East, Manchester Media City and Ealing Studios and redesigned its mobile fleet to build in multiple purpose and increase environmental sustainability.

Debt service cover is indicated by the EBITDA generated which was £1,660,615 in 2020 (2019 £5,062,128). During the year as part of the COVID arrangements the Company entered into an agreement with its bankers to reschedule its debts under the CBILs scheme and was thereby able to comply its banking covenants. The directors consider that the resulting debt service cover to be satisfactory.

The balance sheet total net asset of £3,766,251, which is a reduction over the previous year, reflects the impact of COVID and the Company's very significant investment in remote production and COVID safe workflow, which has improved the Company's ability to compete at the cutting edge of the broadcast industry.

Principal risks and uncertainties

The principal risk and uncertainty facing the company and the industry is the potential threat of further health crises and results in the need to prepare for multiple alternatives and resilient disaster recovery plans, whilst building flexibility to enable multi-purpose approach such that resources can be redirected in the face of business challenges.

The Company maintains a continual review of competitive pressures in the film, television and media industries; continual review of value for money to ensure high standard of quality and client satisfaction. Client requirements vary according to their needs and the market, and it is the responsibility of management to ensure sufficient working capital is available to service those requirements at all times. This is achieved by careful cash management and the control of debt-to-equity ratios.

The Company has a high level of gearing; asset finance lease obligations and bank loans of £13,008,868, including £5m of coronavirus business interruption loan scheme (CBIL), were outstanding at the balance sheet date. (2019 £7,716,925). Whilst this is a high value, the Directors believe this to be satisfactory owing to the value of client contracts in-place to secure cash flows and the helpful structure of the CBIL scheme.

The inherent interest rates of asset finance arrangements are fixed for the remaining life of those finance leases. However, the Company will have a significant requirement for asset backed finance for projects that arise in the future and the rate of interest is a risk factor in determining competitiveness.

The bulk of the Company's business is designed, built, procured and staffed in the UK within a rapidly expanding market and, as such, the directors are satisfied that the Company has been able to secure, as far as possible, its business given the uncertainties of Brexit.

With the successful achievement during 2020 the company has been able to significantly increase its business activity and sales income in 2021 and continues to grow.

Development and performance

The main areas of growth were in Remote Production and Fixed Facility Broadcast Studios. This growth will likely continue in Remote Production activities as there is an increasing demand for a sustainable approach to broadcast. There is also an increasing demand for the Company's Design and Engineering expertise in providing novel broadcast solutions. The market is growing in the provision of remote production facilities, for which the Company has a number of bespoke solutions already delivering together with low-cost solutions which will broaden the scope of viable outside broadcast locations.

In 2021 the company continues to expand its television broadcast footprint with the addition of its Ealing Broadcast Centre (EBC)

Key performance indicators

The key indicators of performance referred to above are stated as follows:

	2020	2019
Net operating profit percentage on turnover	-7.8%	2.9%
Total gross debt to EBITDA	7.01	1.52
Direct labour costs as a percentage of turnover	30%	31%

Although many of the indicators are satisfactory during the year, the Directors are keen to maintain the level of strategic capital investment in technology, maintaining the business at the forefront of the broadcast market. The directors believe this strategic investment will enable the company to maintain its position within the UK and global market in the coming years.

On behalf of the board

D McDonnell
Director

5 November 2021

TIMELINE TELEVISION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Directors

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

D McDonnell
R M Sewell
D Eaves
S Littler

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £310,000. The directors do not recommend payment of a further dividend.

Research and development

A fundamental part of the Company's business is research and development, providing a source and reference for design and provision of highly technological, broadcast work flows and equipping solutions, design and installation of studio facilities and the capture and broadcast of bespoke content.

Management recognize that the business is a combination of low and medium margin income streams that require differing management techniques and management focus in order to develop profitably. The business also requires a continual re-investment in new and technology-heavy work flow designs and equipment.

The Company has embarked on a series of research and development projects to develop a number of new technologies and products which it expects will provide enhanced income streams, new business direction, business impetus and increase in core business activities.

Future developments

The company continues to maintain its position as a leading provider of services and equipment to the broadcast and television industry by investing in the latest technological innovations.

Statement of directors' responsibilities

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.

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.

On behalf of the board

D McDonnell
Director
5 November 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TIMELINE TELEVISION LIMITED

Opinion

We have audited the financial statements of Timeline Television Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 December 2020 and of its loss 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 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.

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the broadcast service sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Mantel (Senior Statutory Auditor)
For and on behalf of Alliotts LLP

5 November 2021

Chartered Accountants
Statutory Auditor

Imperial House
8 Kean Street
London
WC2B 4AS

TIMELINE TELEVISION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Revenue	3	28,028,741	31,380,624
Cost of sales		(21,068,534)	(23,161,753)
Gross profit		6,960,207	8,218,871
Administrative expenses		(9,871,557)	(7,303,956)
Other operating income	5	728,780	-
Operating (loss)/profit	4	(2,182,570)	914,915
Finance costs	8	(333,550)	(437,769)
(Loss)/profit before taxation		(2,516,120)	477,146
Tax on (loss)/profit	9	193,851	15,274
(Loss)/profit for the financial year		(2,322,269)	492,420

The income statement has been prepared on the basis that all operations are continuing operations.

TIMELINE TELEVISION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Non-current assets					
Property, plant and equipment	**11**		8,919,492		12,725,384
Investments	**12**		2		2
			8,919,494		12,725,386
Current assets					
Trade and other receivables	**14**	12,433,355		12,112,188	
Cash and cash equivalents		4,187,798		194,623	
		16,621,153		12,306,811	
Current liabilities	**15**	(12,898,109)		(13,870,958)	
Net current assets/(liabilities)			3,723,044		(1,564,147)
Total assets less current liabilities			12,642,538		11,161,239
Non-current liabilities	**16**		(8,583,067)		(4,275,648)
Provisions for liabilities					
Deferred tax liability	**19**	293,220		487,071	
			(293,220)		(487,071)
Net assets			3,766,251		6,398,520
Equity					
Called up share capital	**21**		1,000		1,000
Retained earnings			3,765,251		6,397,520
Total equity			3,766,251		6,398,520

The financial statements were approved by the board of directors and authorised for issue on 5 November 2021 and are signed on its behalf by:

D McDonnell
Director

Company Registration No. 06019292

TIMELINE TELEVISION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2019		1,000	6,055,100	6,056,100
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	492,420	492,420
Dividends	**10**	-	(150,000)	(150,000)
Balance at 31 December 2019		1,000	6,397,520	6,398,520
Year ended 31 December 2020:				
Loss and total comprehensive income for the year		-	(2,322,269)	(2,322,269)
Dividends	**10**	-	(310,000)	(310,000)
Balance at 31 December 2020		1,000	3,765,251	3,766,251

1 Accounting policies

Company information

Timeline Television Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ealing Studios, Ealing Green, London, W5 5EP.

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 a mounts in these financial statements are rounded to the nearest £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Timeline Television Limited is a wholly owned subsidiary of Timeline Television Group Limited and the results of Timeline Television Limited are included in the consolidated financial statements of Timeline Television Group Limited which are available from Companies House.

1 Accounting policies **(Continued)**

1.2 Going concern

The Company has made a loss before tax for the year of £2,516,120. The directors have produced management accounts and forecasts that demonstrate that the company continues to trade profitably and generate sufficient cash to meet all liabilities as they fall due.

Having given due consideration to the above factors and taking into account possible future developments, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the financial statements.

During the year the Company has been impacted by the Coronavirus pandemic. As part of the directors going concern assessment they have considered the operating restrictions placed on the business by the on-going pandemic and the potential cash flow requirements needed to continue in operation through this period. Whilst it is not possible to determine with any accuracy the full impact of the pandemic on the Company the directors have assessed the cash reserves available through its bank, invoice discounting and loan facilities that can be expected during this period.

The directors believe that the Company can successfully manage its business risks and, after making relevant enquiries, the directors have a reasonable expectation that the Company will have access to adequate resources to continue to trade for the foreseeable future and they believe it is appropriate to continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of broadcast services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Rental contracts are recognised over the term of the rental period.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

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:

Land and buildings Leasehold	10% - 25% straight line on cost
Plant and machinery	10% - 25% straight line on cost
Fixtures, fittings & equipment	10% - 25% straight line on cost
Motor vehicles	10% - 25% straight line on cost

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.

The company changed its estimate for tangible fixed assets depreciation from 25% straight line on cost to 10%-25% straight line on cost, to better reflect the pattern of the consumption of its fixed assets.

1.6 Non-current investments

Interests in subsidiaries 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.

1.7 Impairment of non-current assets

At each reporting 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.

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

1 Accounting policies **(Continued)**

1.9 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 statement of financial position 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 trade and other receivables 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 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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies 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 receipts 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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 though 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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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 income statement 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.

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 income statement, 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 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 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 in the period are included in profit or loss.

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 following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

The company has entered into commercial property leases as a lessee to obtain the use of property, plant, and equipment. The classification of such leases as a operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Plant, property and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Judgement is required to determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration include the economic viability and expected future financial performance of the asset.

Percentage of completion

The "percentage of completion method" is used to determine the appropriate amount of revenues and profits to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Property, plant and equipment

Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of receivables

The company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the current credit rating of the receivable, the ageing profile of receivables and historical experience.

Contract provisions

The company makes an estimate of the provision required against sales contracts. When assessing any provision requirement management considers all applicable factors including industry norms and history of claims made.

3 Revenue

An analysis of the company's revenue is as follows:

	2020	2019
	£	£
Revenue analysed by class of business		
Television services	28,028,741	31,380,624

	2020	2019
	£	£
Other significant revenue		
Grants received	728,780	-

	2020	2019
	£	£
Revenue analysed by geographical market		
UK	27,926,741	30,824,101
EU	102,000	158,977
ROW	-	397,546
	28,028,741	31,380,624

4 Operating (loss)/profit

	2020	2019
Operating (loss)/profit for the year is stated after charging/(crediting):	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	26,113	22,494
Research and development costs	2,606,992	5,658
Government grants	(728,780)	-
Fees payable to the company's auditor for the audit of the company's financial statements	46,180	56,350
Depreciation of owned property, plant and equipment	2,399,162	2,212,925
Depreciation of property, plant and equipment held under finance leases	1,444,023	1,938,621
Loss/(profit) on disposal of property, plant and equipment	72,867	(4,334)
Operating lease charges	652,380	612,664

5 Government grants

In 2020, £728,780 (2019: £nil) of government grants have been received in respect of the Coronavirus Job Retention Scheme. The grants allow the company to put staff on temporary leave ('furlough') and claim 80% of the employee's payroll costs from the government. The grants have been recognised on a straight-line basis over the period of furlough and are included within other operating income. All conditions with respect to the grants have been met at the balance sheet date.

6 Employees

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

	2020	2019
	Number	Number
Management	10	14
Administration	13	13
Production	170	130
Total	193	157

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	5,694,472	5,634,089
Social security costs	819,950	734,382
Pension costs	280,385	241,081
	6,794,807	6,609,552

7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	410,456	194,584

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020	2019
	£	£
Remuneration for qualifying services	121,633	-

As total directors' remuneration was less than £200,000 in the prior year, no disclosure is provided for that year.

8 Finance costs

	2020	2019
	£	£
Interest on bank overdrafts and loans	351	3,642
Interest on invoice finance arrangements	49,227	112,685
Interest on finance leases and hire purchase contracts	283,972	321,442
	333,550	437,769

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	-	34,197
Deferred tax		
Origination and reversal of timing differences	(193,851)	(49,471)
Total tax credit	(193,851)	(15,274)

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

	2020	2019
	£	£
(Loss)/profit before taxation	(2,516,120)	477,146
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(478,063)	90,658
Tax effect of expenses that are not deductible in determining taxable profit	1,137	10,606
Tax effect of utilisation of tax losses not previously recognised	57,396	-
Adjustments in respect of prior years	-	(102,836)
Group relief	-	(21,794)
Permanent capital allowances in excess of depreciation	419,530	17,859
Deferred tax adjustments in respect of prior years	(193,851)	-
Loan write off	-	(9,767)
Taxation credit for the year	(193,851)	(15,274)

10 Dividends

	2020	2019
	£	£
Final paid	310,000	150,000

11 Property, plant and equipment

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	1,041,211	26,061,375	136,724	785,790	28,025,100
Additions	12,298	2,980	-	94,882	110,160
Disposals	-	(81,841)	-	-	(81,841)
At 31 December 2020	1,053,509	25,982,514	136,724	880,672	28,053,419
Depreciation and impairment					
At 1 January 2020	581,272	14,225,558	136,724	356,162	15,299,716
Depreciation charged in the year	147,258	3,563,827	-	132,100	3,843,185
Eliminated in respect of disposals	-	(8,974)	-	-	(8,974)
At 31 December 2020	728,530	17,780,411	136,724	488,262	19,133,927
Carrying amount					
At 31 December 2020	324,979	8,202,103	-	392,410	8,919,492
At 31 December 2019	459,939	11,835,817	-	429,628	12,725,384

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020	2019
	£	£
Plant and machinery	3,117,564	7,811,830

12 Fixed asset investments

	Notes	2020	2019
		£	£
Investments in subsidiaries	13	2	2

13 Subsidiaries

These financial statements are separate company financial statements for Timeline Television Limited.

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

Name of undertaking	Registered office	Class of shares held	% Held Direct
Timeline Television North Limited	Ealing Studios, Ealing Green, London, W5 5EP	Ordinary	100
TTR Racing Limited	Ealing Studios,Ealing Green, London, W5 5EP	Ordinary	100

14 Trade and other receivables

	2020	2019
Amounts falling due within one year:	**£**	**£**
Trade receivables	4,964,547	4,635,155
Amounts owed by group undertakings	4,211,632	4,525,438
Other receivables	60,633	243,306
Prepayments and accrued income	3,196,543	2,708,289
	12,433,355	12,112,188

15 Current liabilities

	Notes	2020 £	2019 £
Bank loans	17	1,205,553	776,909
Obligations under finance leases	18	3,220,248	2,664,368
Trade payables		4,308,729	5,507,581
Corporation tax		137,034	137,034
Other taxation and social security		1,901,059	998,250
Other payables		43,744	2,354,535
Accruals and deferred income		2,081,742	1,432,281
		12,898,109	13,870,958

16 Non-current liabilities

	Notes	2020 £	2019 £
Bank loans	17	4,476,667	438,397
Obligations under finance leases	18	4,106,400	3,837,251
		8,583,067	4,275,648

17 Borrowings

	2020 £	2019 £
Bank loans	5,682,220	1,215,306
Payable within one year	1,205,553	776,909
Payable after one year	4,476,667	438,397

Bank loans are secured by fixed and floating charges over the assets of the company. The average loan term is 2 years on a fixed repayment basis.

18 Finance lease obligations

Future minimum lease payments due under finance leases:	2020 £	2019 £
Within one year	3,220,248	2,664,368
In two to five years	4,106,400	3,837,251
	7,326,648	6,501,619

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2020 £	Liabilities 2019 £
ACAs	293,220	487,071

Movements in the year:	2020 £
Liability at 1 January 2020	487,071
Credit to profit or loss	(193,851)
Liability at 31 December 2020	293,220

The deferred tax liability set out above is expected to reverse in more than 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for IFRS and UK GAAP purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent.

20 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	280,385	241,081

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2020	2019	2020	2019
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

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

22 Financial commitments, guarantees and contingent liabilities

The company, together with its subsidiary Timeline Television North Limited and its parent company Timeline Television Group Limited, and a fellow subsidiary Timeline Television Motorsport Limited has entered into a composite agreement guaranteeing banking facilities provided by HSBC Invoice Finance UK Limited (HIF), HSBC Equipment Finance (HEF) and HSBC Bank plc. The securities include fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and first floating charge over all assets and undertakings both present and future.

The value of the business loan facility at the year end was £5.9m (2019: £1.4m) of which total balance outstanding to HSBC Bank Plc of the loans was £5,673,964 (2019: £1,215,306). The total balance outstanding to HIF was £11,510 (2019: £2,215,738).

Loan balance outstanding as at 31 December 2020 in Timeline Television Motorsports Limited, covered by the guarantee was £689,310 (2019: £966,159).

23 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for properties used for television services. Leases are negotiated separately for each of the locations.

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	331,454	331,454
Between two and five years	793,856	922,846
In over five years	-	41,347
	1,125,310	1,295,647

24 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020	2019
Amounts due to related parties	**£**	**£**
Key management personnel	-	5,956

24 Related party transactions **(Continued)**

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2020** £	**2019** £
Entities with control, joint control or significant influence over the company	3,560,415	3,468,018
Fellow subsidiary entities	651,217	962,374
Entities over which the entity has control, joint control or significant influence	-	95,046

Other information

The company has taken advantage of the exemption available in FRS 102 section 33 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

25 Ultimate controlling party

The immediate and ultimate parent company is Timeline Television Group Limited, a company registered in England and Wales. Group financial statements are prepared by the ultimate parent company and available on public record at Companies House.

The ultimate controlling party of the group is D McDonnell due to his majority shareholding in Timeline Television Group Limited (parent).

Timeline Television Group Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements as at 31 December 2020.