Company registration number 06019292 (England and Wales)

TIMELINE TELEVISION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 DECEMBER 2022

(PREPARED UP TO THE PERIOD ENDED 31 DECEMBER 2022)

TIMELINE TELEVISION LIMITED

COMPANY INFORMATION

Directors	D McDonnell D Eaves
Secretary	D McDonnell
Company number	06019292
Registered office	43 Halifax Road Metropolitan Business Park Greenford London UB6 8XU
Auditor	Alliotts LLP Manfield House 1 Southampton Street London WC2R 0LR

TIMELINE TELEVISION LIMITED

CONTENTS

TIMELINE TELEVISION LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 29 DECEMBER 2022

The directors present their strategic report and audited financial statements for the period ended 29 December 2022 (prepared up to the period ended 31 December 2022).

Principal activities

Timeline Television operates principally in the media industry delivering broadcast, broadcast technology, production, and post-production services to the film, television and internet industries. It specialises in live production, outside broadcast, live television studios, design of broadcast 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.

Review of the business

The Company has continued to develop its offerings and grow its business off the back of the wider economy returning to a more normalised position post COVID.

The Company's comprehensive research and development program continues to strengthen the Company's offering to customers and its ability to cope with multiple challenges, and the business has increased resilience and built improved disaster recovery facilities.

As noted in 2021 the Company's work to build out its brand news studio complex in Ealing has continued which has further enhanced the Company's comprehensive in studio and outside broadcast offering. Further development and expansion work is planned for 2023.

The Company has maintained its strategy of investing in and running high quality outside broadcasting and in-studio equipment to offer the highest quality service possible to customers. Significant investment in renewal and expansion of equipment has been made during the course of the year.

Debt service cover is indicated by the EBITDA generated which was £9,399,872 in 2022 (2021 £7,526,461). During the year, the Company was able to significantly pay down debt obligations with its funders and has continued to comply with its banking covenants. The directors consider that the resulting debt service cover to be satisfactory.

The balance sheet total net asset of £8,889,838, which is an improvement over the previous year, reflects the growth and success of the business and the Company's significant investment in new additional facilities as well as its investment in replacement equipment as noted.

Principal risks and uncertainties

The principal risk and uncertainty facing the Company and the industry remains the potential threat of further health crises / impacts on the economy and results in the need for the Company to maintain 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 high caliber of staff is of great value to the business and the Company seeks to provide the best career path, remuneration package and working environment for all staff, as well as interesting, intellectually challenging and satisfying projects.

By the very nature of the sector, the Company is asset intensive and operates a wide range of fixed assets which are either owned outright or funding by means of asset finance. As a result, the Company has a high level of gearing; asset finance lease obligations and bank loans of £14,213,592, including £3.6m of coronavirus business interruption loan scheme (CBIL), were outstanding at the balance sheet date. (2021: £8,794,930). Whilst this is a high value, the Directors believe this to be satisfactory owing to the capital intensive nature of the business, and the value of client contracts in place.

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

Development and performance

The Company continues to work with existing customers / new prospects on a range of new projects, utilising assets in all divisions of the Company. At the time of writing this report, final investments into the new Ealing Broadcast Centre (EBC) have been made which significantly enhance the width, depth and quality of services that the Company is able to provide.

Key performance indicators

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

	2022	2021
Net operating profit percentage on turnover	5.8%	9.1%
Total gross debt to EBITDA	3.84	3.10
Direct labour costs as a percentage of turnover	37%	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

25 March 2024

TIMELINE TELEVISION LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29 DECEMBER 2022

The directors present their annual report and financial statements for the period ended 29 December 2022 (prepared up to the period ended 31 December 2022).

Principal activities

Timeline Television operates principally in the media industry delivering broadcast, broadcast technology, production, and post-production services to the film, television and internet industries. It specialises in live production, outside broadcast, live television studios, design of broadcast 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.

Directors

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

D McDonnell	
R M Sewell	(Retired 4 June 2023)
D Eaves	
S Littler	(Resigned 31 July 2023)

Results and dividends

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

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

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

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
25 March 2024

TIMELINE TELEVISION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TIMELINE TELEVISION LIMITED

Opinion

We have audited the accounts of Timeline Television Limited for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Financial Position, and notes to the accounts, 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 the 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 29 December 2022 and of its profit for the period 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.

Emphasis of matter - going concern

We draw attention to note 1.4 of the financial statements which describes the reliance on bank finance that includes an overdraft facility and the ability of the Company to meet its financial forecast. Our opinion is not modified in respect of this matter.

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 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 auditors 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.

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 period 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TIMELINE TELEVISION LIMITED

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 capable 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;
- tested journal entries to identify unusual transactions;
- 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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

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

25 March 2024

Chartered Accountants
Statutory Auditor

Manfield House
1 Southampton Street
London
WC2R 0LR

TIMELINE TELEVISION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 29 DECEMBER 2022

	Notes	Period ended 29 December 2022 £	Year ended 31 December 2021 as restated £
Revenue	**3**	61,336,842	41,093,772
Cost of sales		(46,174,690)	(30,044,384)
Gross profit		15,162,152	11,049,388
Administrative expenses		(11,608,032)	(7,615,664)
Other operating income		-	15,907
Operating profit	**4**	3,554,120	3,449,631
Finance costs	**8**	(927,879)	(285,057)
Profit before taxation		2,626,241	3,164,574
Tax on profit	**9**	(93,138)	(424,090)
Profit for the financial period		2,533,103	2,740,484

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

The notes on pages 11 to 26 form part of these financial statements.

TIMELINE TELEVISION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 29 DECEMBER 2022

		29 December 2022		31 December 2021 as restated	
	Notes	**£**	**£**	**£**	**£**
Non-current assets					
Property, plant and equipment	**11**		25,570,728		16,466,498
Investments	**12**		2		2
			25,570,730		16,466,500
Current assets					
Trade and other receivables	**14**	20,617,835		13,836,068	
Cash and cash equivalents		26,972		140,782	
		20,644,807		13,976,850	
Current liabilities	**15**	(26,768,626)		(17,859,257)	
Net current liabilities			(6,123,819)		(3,882,407)
Total assets less current liabilities			19,446,911		12,584,093
Non-current liabilities	**18**		(9,307,073)		(5,510,048)
Provisions for liabilities					
Deferred tax liability	**19**	1,250,000		717,310	
			(1,250,000)		(717,310)
Net assets			8,889,838		6,356,735
Equity					
Called up share capital	**21**		1,000		1,000
Retained earnings			8,888,838		6,355,735
Total equity			8,889,838		6,356,735

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 25 March 2024 and are signed on its behalf by:

D McDonnell
Director

Company registration number 06019292 (England and Wales)

TIMELINE TELEVISION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 29 DECEMBER 2022

	Notes	Share capital £	Retained earnings £	Total £
As restated for the period ended 31 December 2021:				
Balance at 1 January 2021		1,000	3,765,251	3,766,251
Year ended 31 December 2021:				
Profit and total comprehensive income		-	2,740,484	2,740,484
Dividends	**10**	-	(150,000)	(150,000)
Balance at 31 December 2021		1,000	6,355,735	6,356,735
Period ended 29 December 2022:				
Profit and total comprehensive income		-	2,533,103	2,533,103
Balance at 29 December 2022		1,000	8,888,838	8,889,838

1 Accounting policies

Company information

Timeline Television Limited is a private company limited by shares incorporated in England and Wales. The registered office is 43 Halifax Road, Metropolitan Business Park, Greenford, London, UB6 8XU.

1.1 Reporting period

The financial statements for the accounting reference period date 29 December 2022 have been prepared for a period up to 31 December 2022 as the company has taken advantage Section 390(3)(b) of the Companies Act 2006 in preparing its financial statements.

1.2 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 £.

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.

1.3 Prior period error

An amount of £310,000 was incorrectly recognised as a dividend. This has been restated as an expense to the company. Details of this prior period adjustment can be found in note 26.

1 Accounting policies **(Continued)**

1.4 Going concern

These financial statements have been prepared on a going concern basis. At the year end the Company has net current liabilities of £6,123,819.

The Directors have prepared detailed cash flow projections for a period of 18 months from the date the Company's financial statements were approved. which show that the Company is expected to continue to trade profitably and generate sufficient cash to meet all liabilities as they fall due. During that period the Company's liquidity is driven by the following significant factors:

- • Covenant measures associated with existing bank facilities were breached during the financial year ended 31 December 2023. These breaches were subsequently waived and revised bank facilities were agreed in December 2023 that included updated covenant tests. The Company has operated within these limits up to the date the financial statements were approved and is projected to do so throughout the period of the cash flow projections;
- • The cash flow projections rely on the continuing availability of the £2,750,000 overdraft facility provided by the main clearing bank which is, as is usually the case, repayable on demand. This facility is due for renewal on 31 March 2025. The Directors have been given no reason to doubt that this facility will not continue to be made available;
- • Cash flow projections include the assumption that limited additional capital assets will be acquired over the next 18 months and sufficient operational assets exist to meet both existing and projected contractual commitments during this period. The directors are confident that should additional assets be required beyond that included within the projections then separate asset finance will be available to fund this investment.

After considering the uncertainties described above, the directors have a reasonable expectation that the Company can continue in operational existence for the foreseeable future. It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

1.5 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 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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.

1.10 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)**

1.11 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.

1.12 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.

1.13 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)**

1.14 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.

1.15 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 period they are payable.

1.16 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.

1.17 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.

1.18 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:

	2022	2021
	£	£
Revenue analysed by class of business		
Television services	61,336,842	41,093,772

	2022	2021
	£	£
Revenue analysed by geographical market		
UK	60,698,663	39,808,959
EU	64,147	987,839
ROW	574,032	296,974
	61,336,842	41,093,772

	2022	2021
	£	£
Other revenue		
Grants received	-	15,907

4 Operating profit

	2022	2021
Operating profit for the period is stated after charging/(crediting):	£	£
Exchange losses	107,509	927
Research and development costs	151	15,000
Government grants	-	(15,907)
Fees payable to the company's auditor for the audit of the company's financial statements	46,899	96,075
Depreciation of owned property, plant and equipment	3,395,012	2,155,860
Depreciation of property, plant and equipment held under finance leases	2,450,749	1,610,970
Operating lease charges	2,566,637	1,097,338

5 Employees

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

	2022	2021
	Number	Number
Management	11	9
Administration	18	15
Production	237	202
Total	266	226

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	11,483,090	6,292,801
Social security costs	1,293,060	944,750
Pension costs	397,176	324,804
	13,173,326	7,562,355

6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	403,191	396,193

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

	2022	2021
	£	£
Remuneration for qualifying services	115,163	116,616

7 Government grants

In 2022, £Nil (2021: £15,907) 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.

8 Finance costs

	2022	2021
	£	£
Interest on bank overdrafts and loans	232,553	66,589
Interest on invoice finance arrangements	146,343	38,694
Interest on finance leases and hire purchase contracts	548,983	179,774
	927,879	285,057

9 Taxation

	2022	2021
	£	£
Current tax		
Adjustments in respect of prior periods	(439,552)	-
Deferred tax		
Origination and reversal of timing differences	532,690	424,090
Total tax charge	93,138	424,090

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

	2022	2021
	£	£
Profit before taxation	2,626,241	3,164,574
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	498,986	601,269
Tax effect of expenses that are not deductible in determining taxable profit	18,100	21,770
Unutilised tax losses carried forward	506,872	-
Adjustments in respect of prior years	(188,799)	153,972
Effect of change in corporation tax rate	-	172,154
Group relief	-	26,575
Permanent capital allowances in excess of depreciation	(491,268)	(450,331)
Deferred tax adjustments in respect of prior years	-	(101,319)
R&D tac credit in resposect of prior year	(250,753)	-
Taxation charge for the period	93,138	424,090

10 Dividends

	2022	2021
	£	£
Final paid	-	150,000

11 Property, plant and equipment

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2022	1,053,509	35,552,211	1,794,315	967,220	39,367,255
Additions	20,000	10,651,725	2,162,524	451,090	13,285,339
Transfers from group company	-	3,835,483	-	-	3,835,483
At 29 December 2022	1,073,509	50,039,419	3,956,839	1,418,310	56,488,077
Depreciation and impairment					
At 1 January 2022	878,917	21,100,620	287,875	633,345	22,900,757
Depreciation charged in the period	126,570	5,101,206	405,239	212,746	5,845,761
Transfers from group company	-	2,170,831	-	-	2,170,831
At 29 December 2022	1,005,487	28,372,657	693,114	846,091	30,917,349
Carrying amount					
At 29 December 2022	68,022	21,666,762	3,263,725	572,219	25,570,728
At 31 December 2021	174,592	14,451,591	1,506,440	333,875	16,466,498

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

	2022	2021
	£	£
Plant and machinery	9,025,795	1,928,815

12 Fixed asset investments

	Notes	2022	2021
		£	£
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 29 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Timeline Television North Limited	43 Halifax Road, Metropolitan Business Park, Greenford, London, UB6 8XU	Ordinary	100
TTR Racing Limited	43 Halifax Road, Metropolitan Business Park, Greenford, London, UB6 8XU	Ordinary	100

14 Trade and other receivables

	2022	2021
Amounts falling due within one year:	**£**	**£**
Trade receivables	12,517,565	5,796,094
Corporation tax recoverable	250,753	-
Amounts owed by group undertakings	4,970,332	4,357,244
Other receivables	428,217	730,126
Prepayments and accrued income	2,450,968	2,952,604
	20,617,835	13,836,068

15 Current liabilities

	Notes	2022 £	2021 £
Bank loans and overdrafts	16	3,112,071	1,000,000
Obligations under finance leases	17	3,906,519	2,284,882
Trade payables		10,403,092	10,819,705
Amounts owed to group undertakings		1,777,976	-
Corporation tax		-	145,496
Other taxation and social security		1,877,258	245,317
Other payables		2,926,642	1,223,055
Accruals and deferred income		2,765,068	2,140,802
		26,768,626	17,859,257

16 Borrowings

	2022 £	2021 £
Bank loans	3,620,000	4,620,000
Bank overdrafts	2,112,071	-
	5,732,071	4,620,000
Payable within one year	3,112,071	1,000,000
Payable after one year	2,620,000	3,620,000

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.

17 Finance lease obligations

	2022	2021
Future minimum lease payments due under finance leases:	£	£
Within one year	3,906,519	2,284,882
In two to five years	6,687,073	1,890,048
	10,593,592	4,174,930

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.

18 Non-current liabilities

	Notes	2022 £	2021 £
Bank loans	**16**	2,620,000	3,620,000
Obligations under finance leases	**17**	6,687,073	1,890,048
		9,307,073	5,510,048

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 2022 £	Liabilities 2021 £
Accelerated capital allowances	1,250,000	717,310

Movements in the period:	2022 £
Liability at 1 January 2022	717,310
Charge to profit or loss	532,690
Liability at 29 December 2022	1,250,000

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.

As a result of the change to the main UK corporation tax rate substantively enacted by the UK Government, the Corporation tax will increase to 25% from 1 April 2023.

20 Retirement benefit schemes

Defined contribution schemes	**2022** £	**2021** £
Charge to profit or loss in respect of defined contribution schemes	397,176	324,804

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

Ordinary share capital	**2022** Number	**2021** Number	**2022** £	**2021** £
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 total balance outstanding to HSBC under the business loan facility was £3,620,000 (2021: £4,620,000). The total balance outstanding to HIF was £Nil (2021: £Nil).

Loan balance outstanding as at 31 December 2022 in Timeline Television Motorsports Limited, covered by the guarantee was £Nil (2021: £98,743).

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:

	2022 £	**2021** £
Within one year	2,197,321	2,021,317
Between two and five years	6,004,193	7,737,958
	8,201,514	9,759,275

24 Related party transactions

The following amounts were outstanding at the reporting end date:

	2022	2021
Amounts due to related parties	**£**	**£**
Fellow subsidiary entities	1,777,976	-

The following amounts were outstanding at the reporting end date:

	2022	2021
Amounts due from related parties	**£**	**£**
Entities with control, joint control or significant influence over the company	4,806,428	4,302,609
Fellow subsidiary entities	163,904	54,635

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 2022.

26 Prior period adjustment

An amount of £310,000 was incorrectly recognised as a dividend. This has been restated as an expenses to the company.

Reconciliation of changes in equity

	1 January 2021	31 December 2021
	£	**£**
Adjustments to prior period		
Prior year adjustment	-	(310,000)
Equity as previously reported	3,766,251	6,666,735
Equity as adjusted	3,766,251	6,356,735

Analysis of the effect upon equity		
Retained earnings	-	(310,000)

26 Prior period adjustment **(Continued)**

Reconciliation of changes in profit for the previous financial period

	2021
	£
Adjustments to prior period	
Prior year adjustment	(310,000)
Profit as previously reported	3,050,484
Profit as adjusted	2,740,484