

Company Registration No. 06047620 (England and Wales)

FILMON TV LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR

# FILMON TV LIMITED

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# FILMON TV LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	3	17,296	25,647
Tangible assets	4	5,763	11,095
<b>Total non-current assets</b>		<b>23,059</b>	<b>36,742</b>
<b>Current assets</b>			
Debtors	5	8,592,995	6,902,648
Cash at bank and in hand		472,618	204,184
<b>Total current assets</b>		<b>9,065,613</b>	<b>7,106,832</b>
<b>Total assets</b>		<b>9,088,672</b>	<b>7,143,574</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Share premium account		2,446,999	2,446,999
Profit and loss reserves		(9,323,301)	(11,017,395)
<b>Total equity</b>		<b>(6,876,300)</b>	<b>(8,570,394)</b>
<b>Creditors: amounts falling due within one year</b>	6	<b>15,964,972</b>	<b>15,713,968</b>
<b>Total liabilities</b>		<b>15,964,972</b>	<b>15,713,968</b>
<b>Total equity and liabilities</b>		<b>9,088,672</b>	<b>7,143,574</b>

## **FILMON TV LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2019***

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The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 14 September 2020

**Mr A David**

Director

**Company Registration No. 06047620**

# FILMON TV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

#### **Company information**

FilmOn TV Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, 2 London Wall Place, London, England, EC2Y 5AU.

#### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

These financial statements for the year ended 31 December 2019 are the first financial statements of FilmOn TV Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The accounts previously were prepared under International Financial Reporting Standards (IFRSs) as adopted by the European Union. The date of transition to FRS 102 was 1 January 2018.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis. The Director has considered relevant information and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has not had a significant impact on the company's operations.

Notwithstanding the net liability position of the company, the company's ultimate controlling party, A. A. David, has undertaken to continue to provide financial support for the company's continued operations.

Based on these assessments and having regard to the resources available to the entity, the director has concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts.

#### **1.3 Turnover**

The company has two revenue streams, advertising supported video streaming and subscriber based video streaming. Revenues are derived from video advertising impressions served and monthly premium subscription packages.

The company recognises revenues when it is realised or realisable and earned. The company considers revenue realised or realisable and earned when all of the following criteria:

- (i) persuasive evidence of an arrangement exists;
- (ii) the service has been rendered to the customer;
- (iii) the sales price is fixed or determinable; and
- (iv) collectability is reasonably assured.

# FILMON TV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### Advertising

Advertising supported video streaming revenues, net of agency commission, are recognised in the period during which underlying advertisements are broadcast or published.

#### Subscription

Subscription revenues are recognised evenly over the membership period. Revenues are presented net of the taxes that are collected from the member and remitted to governmental authorities. Deferred revenue consists of membership fees billed to members that have not been recognised.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Content licences	Straight line over 1 - 10 years, where the company has licence to exploit content for a set period of time.
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#### 1.5 Tangible fixed assets

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

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

Fixtures and fittings	20% Straight line
Computers	33% Straight line

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.

#### 1.6 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.

#### 1.7 Financial instruments

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

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

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

# FILMON TV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **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.

#### **Basic financial liabilities**

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

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

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

### 1.8 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.

### 1.9 Taxation

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

#### **Current tax**

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

# FILMON TV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

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

#### **1.10 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 fixed assets.

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

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 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 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was 3 (2018 - 3).

# FILMON TV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Intangible fixed assets

	Content licences £
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	687,940
<b>Amortisation and impairment</b>	
At 1 January 2019	662,293
Amortisation charged for the year	8,351
At 31 December 2019	670,644
<b>Carrying amount</b>	
At 31 December 2019	17,296
At 31 December 2018	25,647

### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2019	1,162,573
Additions	688
At 31 December 2019	1,163,261
<b>Depreciation and impairment</b>	
At 1 January 2019	1,151,478
Depreciation charged in the year	6,020
At 31 December 2019	1,157,498
<b>Carrying amount</b>	
At 31 December 2019	5,763
At 31 December 2018	11,095

# FILMON TV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

<b>5 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	8,848	80,654
Amounts owed by group undertakings and undertakings in which the company has a participating interest	8,556,817	6,790,427
Other debtors	27,330	31,567
	<u>8,592,995</u>	<u>6,902,648</u>

<b>6 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	730,111	638,666
Amounts owed to group undertakings	14,517,012	14,532,976
Taxation and social security	330,814	227,412
Other creditors	387,035	314,914
	<u>15,964,972</u>	<u>15,713,968</u>

<b>7 Retirement benefit schemes</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	3,455	1,287

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.

<b>8 Called up share capital</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2

### 9 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

# FILMON TV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Related party transactions (Continued)

	Expenses settled on behalf		Transfer of funds	
	2019	2018	2019	2018
	£	£	£	£
Connected Companies	100,725	208,297	6,818	100

	2019	2018
	£	£
<b>Amounts due to related parties</b>		
Connected Companies	3,755	838

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
<b>Amounts due from related parties</b>		
Connected Companies	578,084	481,260

#### Other information

In accordance with the requirements in Section 33.1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* the company has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

### 10 Parent company

The immediate parent company of which the company is a wholly owned subsidiary is Filmon.TV UK Limited, a company incorporated in England and Wales.

The ultimate parents company is Anakando Limited, a company incorporated in St Vincent and the Grenadines.

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