

Company Registration No. 06047620 (England and Wales)

FILMON TV LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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FILMON TV LIMITED

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FILMON TV LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020	2019
	Notes	£	as restated £
Assets			
Non-current assets			
Intangible assets	4	10,928	17,296
Tangible assets	5	2,714	5,763
Total non-current assets		<u>13,642</u>	<u>23,059</u>
Current assets			
Debtors	6	10,023,708	8,889,899
Cash at bank and in hand		391,642	175,714
Total current assets		<u>10,415,350</u>	<u>9,065,613</u>
Total assets		<u><u>10,428,992</u></u>	<u><u>9,088,672</u></u>
Equity and liabilities			
Capital and reserves			
Called up share capital	9	2	2
Share premium account		2,446,999	2,446,999
Profit and loss reserves		(8,061,560)	(9,323,301)
Total equity		<u>(5,614,559)</u>	<u>(6,876,300)</u>
Creditors: amounts falling due within one year	7	<u>16,043,551</u>	<u>15,964,972</u>
Total liabilities		<u>16,043,551</u>	<u>15,964,972</u>
Total equity and liabilities		<u><u>10,428,992</u></u>	<u><u>9,088,672</u></u>

FILMON TV LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

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 2020 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 22 September 2021

Mr A David

Director

Company Registration No. 06047620

FILMON TV LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

1 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

2 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.

2.1 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.

2.2 Prior period reclassification

During the current year, the director identified that an intercompany receivable balance was incorrectly included within cash at bank as at 31 December 2019. This has been reclassified, reducing cash at bank and increasing amounts owed by group undertakings by £296,904. This reclassification has had no impact on profit, nor gross or current net assets of the company.

2.3 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.

FILMON TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Accounting policies

(Continued)

2.4 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.

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.

2.5 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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2.6 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.

2.7 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.

FILMON TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Accounting policies

(Continued)

2.8 Financial instruments

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

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

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

Basic financial assets

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

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.

2.9 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.

2.10 Taxation

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

Current tax

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

FILMON TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 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.

2.11 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.

2.12 Retirement benefits

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

2.13 Foreign exchange

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

3 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was 3 (2019 - 3).

FILMON TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Intangible fixed assets

	Content licences £
Cost	
At 1 January 2020 and 31 December 2020	687,940
Amortisation and impairment	
At 1 January 2020	670,644
Amortisation charged for the year	6,368
At 31 December 2020	677,012
Carrying amount	
At 31 December 2020	10,928
At 31 December 2019	17,296

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2020	1,163,261
Additions	1,317
At 31 December 2020	1,164,578
Depreciation and impairment	
At 1 January 2020	1,157,498
Depreciation charged in the year	4,366
At 31 December 2020	1,161,864
Carrying amount	
At 31 December 2020	2,714
At 31 December 2019	5,763

FILMON TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Debtors

	2020	2019
	£	As restated £
Amounts falling due within one year:		
Trade debtors	2,161	8,848
Amounts owed by group undertakings and undertakings in which the company has a participating interest	10,021,098	8,853,721
Other debtors	449	27,330
	<u>10,023,708</u>	<u>8,889,899</u>

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	725,142	730,111
Amounts owed to group undertakings	14,513,067	14,517,012
Taxation and social security	447,231	330,814
Other creditors	358,111	387,035
	<u>16,043,551</u>	<u>15,964,972</u>

8 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,659	3,455

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.

9 Called up share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	2	2	2	2

10 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 2020

10 Related party transactions

(Continued)

	Purchases			
	2020	2019		
	£	£		
Connected Companies	53,647	-		
	Expenses settled on behalf		Transfer of funds	
	2020	2019	2020	2019
	£	£	£	£
Connected Companies	106,531	100,725	-	6,818
Amounts due to related parties			2020	2019
			£	£
Connected Companies			53,647	3,755
The following amounts were outstanding at the reporting end date:				
Amounts due from related parties			2020	2019
			£	£
Connected Companies			680,860	578,084

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.

11 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.