Company Registration No. 07020659 (England and Wales)

MARJAN TELEVISION NETWORK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

MARJAN TELEVISION NETWORK LIMITED

COMPANY INFORMATION

Director	Mr K Abbassi
Secretary	Neptune Secretaries Limited
Company number	07020659
Registered office	10th Floor The Met Building 22 Percy Street London W1T 2BU
Auditor	Silver Levene (UK) Limited Chartered Certified Accountants 37 Warren Street London W1T 6AD
Business address	63 Windsor Avenue London SW19 2RR

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MARJAN TELEVISION NETWORK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The director presents the strategic report for the year ended 30 September 2018.

Principal activities
The principal activity of the company during the year continued to be the broadcast of general interest television programming. Our objective is to provide the highest possible quality of general interest programming content, created in-house and sourced from third party programme producers, and to maximise our share of audience.

Review of the business and future developments
We are pleased with the quality of the television programming that we have broadcast during the year and with the profile that we have achieved with our target audience.

In particular, we produced and successfully broadcast the following flagship shows during the period:

- Come Dine With Me
- Gogglebox/BebinTV
- Project-X/Shabake Nim Puppet Show
- Stage S2 – singing talent competition

Our own analysis indicates that we are achieving positive profile with our target audience and that our broadcast content is very appealing to that audience.

Although sales were lower than the previous year this was not unexpected. This was more than offset by the reduction in our gross loss by over 11%. The company continues to invest for the future with licence fees acquired during the year of £1.04 million and other tangible assets of £0.55 million. Administrative expenses increased by £0.65 million this largely relates to the investment in staff.

Principle risks and uncertainties
We do not consider there are any major risks or uncertainties affecting the business. We keep all areas of potential risk and uncertainty under review. During the year, we maintained a strong reputation for quality and integrity. We kept fully up to speed with technological advances and maintained appropriate levels of data security.

Going concern
The directors, having made appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to prepare the financial statements on a going concern basis.

On behalf of the board

....
Mr K Abbassi
Director
28th June 2019

MARJAN TELEVISION NETWORK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The director presents his report and financial statements for the year ended 30 September 2018.

Director

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

Mr K Abbassi

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement 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.

Auditor

The auditors Silver Levene (UK) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board

....

Mr K Abbassi

Director

29th June 2019

MARJAN TELEVISION NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARJAN TELEVISION NETWORK LIMITED

Opinion

We have audited the financial statements of Marjan Television Network Limited (the 'company') for the year ended 30 September 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the accounting policies section of the financial statements concerning the company's ability to continue as a going concern. The ability is dependent upon the parent undertaking, Marjan Holdings Limited, continuing its financial support to the company.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

Mark Adrian Gold (Senior Statutory Auditor)
for and on behalf of Silver Levene (UK) Limited
Chartered Certified Accountants
Statutory Auditor
37 Warren Street
London
W1T 6AD

28th June 2019

MARJAN TELEVISION NETWORK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	2017 £
Turnover	2	905,584	1,072,722
Cost of sales		(10,221,303)	(11,543,644)
Gross loss		(9,315,719)	(10,470,922)
Administrative expenses		(9,500,852)	(8,872,416)
Other operating income		304,927	367,850
Operating loss	3	(18,511,644)	(18,975,488)
Interest payable and similar expenses	6	-	(7)
Loss before taxation		(18,511,644)	(18,975,495)
Tax on loss	7	-	-
Loss for the financial year		(18,511,644)	(18,975,495)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MARJAN TELEVISION NETWORK LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2018
Company Registration No. 07020659

		2018		2017	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Intangible assets	8		521,469		533,081
Tangible assets	9		4,208,758		4,706,273
			4,730,227		5,239,354
Current assets					
Debtors	11	394,115		1,127,518	
Cash at bank and in hand		4,046,617		2,230,653	
		4,440,732		3,358,171	
Creditors: amounts falling due within one year	12	(25,220,509)		(6,135,431)	
Net current liabilities			(20,779,777)		(2,777,260)
Total assets less current liabilities			(16,049,550)		2,462,094
Capital and reserves					
Called up share capital	14		94,900,001		94,900,001
Profit and loss reserves			(110,949,551)		(92,437,907)
Total equity			(16,049,550)		2,462,094

The financial statements were approved and signed by the director and authorised for issue on ...28th June 2019

....
Mr K Abbassi
Director

MARJAN TELEVISION NETWORK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2016		60,770,001	(73,462,412)	(12,692,411)
Year ended 30 September 2017:				
Loss for the year		-	(18,975,495)	(18,975,495)
Other comprehensive income:				
Total comprehensive income for the year		-	(18,975,495)	(18,975,495)
Issue of share capital	14	34,130,000	-	34,130,000
Balance at 30 September 2017		94,900,001	(92,437,907)	2,462,094
Year ended 30 September 2018:				
Loss for the year		-	(18,511,644)	(18,511,644)
Other comprehensive income:				
Total comprehensive income for the year		-	(18,511,644)	(18,511,644)
Balance at 30 September 2018		94,900,001	(110,949,551)	(16,049,550)

MARJAN TELEVISION NETWORK LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		3,407,661		(33,448,172)
Interest paid			-		(7)
Net cash inflow/(outflow) from operating activities			3,407,661		(33,448,179)
Investing activities					
Purchase of intangible assets		(1,042,937)		(1,066,164)	
Purchase of tangible fixed assets		(550,700)		(777,454)	
Proceeds on disposal of tangible fixed assets		1,940		-	
Net cash used in investing activities			(1,591,697)		(1,843,618)
Financing activities					
Proceeds from issue of shares		-		34,130,000	
Net cash (used in)/generated from financing activities			-		34,130,000
Net increase/(decrease) in cash and cash equivalents			1,815,964		(1,161,797)
Cash and cash equivalents at beginning of year			2,230,653		3,392,450
Cash and cash equivalents at end of year			4,046,617		2,230,653

1 Accounting policies

Company information

Marjan Television Network Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10th Floor, The Met Building, 22 Percy Street, London, W1T 2BU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary 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.

1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the company being able to trade profitably in the future and the continued support of parent company. The financial statements do not include any adjustments that would result if such support was withdrawn. If the company was unable to continue to trade, adjustments would have to be made to reduce the value of assets to their recoverable amounts, provide for further liabilities that may arise and to reclassify fixed assets and long term liabilities as current assets and liabilities. The parent company has expressed their willingness to continue supporting the company for the foreseeable future and hence it is appropriate for the financial statements to be prepared on a going concern basis.

1.3 Turnover

Turnover 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 is recognised in the period in which the advertising campaigns are held. Any advanced receipts are carried forward as deferred income.

1.4 License fees

License fees incurred in acquiring the rights to a programme are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in straight line over two years.

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:

Leasehold improvements	Over the lease term
Broadcast equipment	33% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

1 Accounting policies **(Continued)**

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 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.7 Cash and cash equivalents

Cash at bank and in hand 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.

1.8 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.

1 Accounting policies **(Continued)**

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, other than those held at fair value through profit and loss, 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.

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 Accounting policies **(Continued)**

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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.

1.9 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.

1.10 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.

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 Accounting policies **(Continued)**

1.11 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.

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.

1.12 Retirement benefits

The company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the company. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contributions.

1.13 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.14 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 are included in the profit and loss account for the period.

1.15 Production costs

Production costs incurred in developing the programmes are charged to profit and loss account in the period in which the costs were incurred.

Directly attributable costs relating to individual programmes are initially recorded at cost. At the end of each accounting period, these are reviewed for impairment, with a provision being made to the extent that the net realisable value is lower than cost, any impairment is expensed in the profit and loss accounts.

2 Turnover and other revenue

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

	2018	2017
	£	£
Turnover		
Advertising	905,584	1,072,722

3 Operating loss

Operating loss for the year is stated after charging:	2018 £	2017 £
Exchange losses	28,257	60,334
Fees payable to the company's auditor for the audit of the company's financial statements	36,500	25,000
Depreciation of owned tangible fixed assets	1,046,275	1,318,339
Amortisation of intangible assets	1,054,549	953,579
Operating lease charges	1,053,772	858,860

4 Employees

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

	2018 Number	2017 Number
Office and management	3	3
Sales and production	128	118
	131	121

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	4,886,834	4,268,231
Social security costs	521,077	448,348
Pension costs	92,907	60,450
	5,500,818	4,777,029

5 Director's remuneration

	2018 £	2017 £
Remuneration for qualifying services	155,614	151,326

6 Interest payable and similar expenses

	2018 £	2017 £
Other finance costs:		
Other interest	-	7

7 Taxation

	2018	2017
	£	£
Total current tax	-	-

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

Factors affecting the tax charge for the year		
Loss before taxation	(18,511,644)	(18,975,495)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(3,517,212)	(3,605,344)
Tax effect of expenses that are not deductible in determining taxable profit	453	17,896
Unutilised tax losses carried forward	3,440,717	3,463,413
Permanent capital allowances in excess of depreciation	76,042	124,035
Taxation charge for the year	-	-

No current tax charge is recognised during the year due to losses.

Deferred tax asset is not recognised in respect of tax losses of approximate £106 million (2017: £88 million) as it is not probable that they will be recovered against the future taxable profits.

8 Intangible fixed assets

	Licence fees
	£
Cost	
At 1 October 2017	1,907,158
Additions - separately acquired	1,042,937
At 30 September 2018	2,950,095
Amortisation and impairment	
At 1 October 2017	1,374,077
Amortisation charged for the year	1,054,549
At 30 September 2018	2,428,626
Carrying amount	
At 30 September 2018	521,469
At 30 September 2017	533,081

9 *Tangible fixed assets*

	Leasehold improvements	Broadcast equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2017	4,865,829	2,610,490	1,091,413	13,771	8,581,503
Additions	5,878	419,701	125,121	-	550,700
Disposals	(1,940)	-	-	-	(1,940)
At 30 September 2018	4,869,767	3,030,191	1,216,534	13,771	9,130,263
Depreciation and impairment					
At 1 October 2017	943,431	2,089,176	828,852	13,771	3,875,230
Depreciation charged in the year	322,986	490,478	232,811	-	1,046,275
At 30 September 2018	1,266,417	2,579,654	1,061,663	13,771	4,921,505
Carrying amount					
At 30 September 2018	3,603,350	450,537	154,871	-	4,208,758
At 30 September 2017	3,922,398	521,314	262,561	-	4,706,273

10 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,516	131,741
Carrying amount of financial liabilities		
Measured at amortised cost	25,058,529	5,984,534

11 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	3,434	125,688
Other debtors	162,197	759,949
Prepayments and accrued income	228,484	241,881
	394,115	1,127,518

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,393,730	1,303,336
Amounts owed to group undertakings	23,619,430	4,636,688
Other taxation and social security	161,980	150,897
Other creditors	17,869	24,385
Accruals and deferred income	27,500	20,125
	25,220,509	6,135,431

13 Retirement benefit schemes

Defined contribution schemes	2018 £	2017 £
Charge to profit or loss in respect of defined contribution schemes	92,907	60,450

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.

Contributions totalling £17,869 (2017: £8,950) were payable to the fund at the year end and are included in other creditors.

14 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
94,900,001 Ordinary shares of £1 each	94,900,001	94,900,001
	94,900,001	94,900,001

15 Financial commitments, guarantees and contingent liabilities

The company's banker held a charge on a bank deposit account.

16 Operating lease commitments

Lessee

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:

	2018	2017
	£	£
Within one year	1,050,000	1,050,000
Between two and five years	4,200,000	4,200,000
In over five years	6,406,438	8,506,438
	11,656,438	13,756,438

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Remuneration	245,439	241,624

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2018	2017
Amounts owed to related parties	£	£
Marjan Holdings Limited	23,619,430	4,636,688

This liability is interest free and repayable on demand.

18 Controlling party

The immediate parent company is Marjan Holdings Limited, a company incorporated in the Isle of Man, and the ultimate parent company is Castle Hill (Nominees) Limited, a company incorporated in the Isle of Man. The ultimate controlling party is Mr K Abbassi, director of the company.

19 Cash generated from operations

	2018	2017
	£	£
Loss for the year after tax	(18,511,644)	(18,975,495)
Adjustments for:		
Finance costs	-	7
Amortisation and impairment of intangible assets	1,054,549	953,579
Depreciation and impairment of tangible fixed assets	1,046,275	1,318,339
Movements in working capital:		
Decrease in debtors	137,622	408,294
Increase/(decrease) in creditors	19,680,859	(17,152,896)
Cash generated from/(absorbed by) operations	3,407,661	(33,448,172)