

Company Registration No. 07020659 (England and Wales)

**MARJAN TELEVISION NETWORK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

## MARJAN TELEVISION NETWORK LIMITED

### COMPANY INFORMATION

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<b>Director</b>	Mr K Abbassi
<b>Company number</b>	07020659
<b>Registered office</b>	37 Warren Street London W1T 6AD
<b>Auditor</b>	Silver Levene (UK) Limited Chartered Certified Accountants 37 Warren Street London W1T 6AD
<b>Business address</b>	63 Windsor Avenue London SW19 2RR

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## **MARJAN TELEVISION NETWORK LIMITED**

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## **MARJAN TELEVISION NETWORK LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The director presents the strategic report for the year ended 30 September 2020.

##### **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. We are also pleased with the investments we have made in our new studios which should see increased productivity and efficiencies in both pre-production, production and post-production of our programming.

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

- "Saateh Poresh"(Big Debate)
- Gogglebox/BebinTV
- Persian New Year Show (Norooz Special)
- Come Dine with me in Montreal and Ottawa
- Don't forget the lyrics
- Thursday Night Show

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.

Sales were at £1,190,569 (2019: £898,240) including hire of studio. The company again continued to invest for the future in both infrastructure and our people; licence fees acquired during the year were £1,591,471; other tangible assets increased by £1,586,134, most of which is attributable to our new studio, lighting sets and kits and new broadcast equipment that will see improved quality and efficiency for the next few years; and our staff costs increased by £708,885 during the year.

The outbreak of COVID-19 in March 2020 and the resulting restrictions resulted in significant disruption to our normal production and broadcast schedules in the second half of the year. In particular:

- We had to operate the business with large numbers of staff working from home.
- We had to cut down on location filming and instead concentrated on some new programming formats (such as Skype interviews) as well as more studio shows which meant that we were able to continue to fill the daily schedule without any gaps or reduction in broadcast hours.
- We cancelled a new season of our GoggleBox production in Canada & UK earlier than planned due to rising infection rates in UK and lockdown in Toronto, Canada.
- We had to postpone both our "Shabake Nim" puppet show due to continuing social distancing rules and some puppeteers unable to work and our Come Dine With Me programme in California due to travel restrictions.

On the mitigation side, we saw increased online demand and engagement on our social media platforms in the second half of the year which, in line with reported statistics for other broadcast businesses in the UK, suggests an increased demand for our television content, news and entertainment during this period, notwithstanding the cancellation or postponement of some of our biggest shows. In addition, the increased investment in our studios has proved very valuable by enabling increased production of more studio-based shows.

**MARJAN TELEVISION NETWORK LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Principle risks and uncertainties**

Whilst we are recommencing production of many of our biggest shows, it is quite possible that new variants of COVID-19 may emerge and result in further lockdowns and further disruption to our normal production and broadcast schedules. However, with the experience gained during the financial year, we feel well placed to confront any such further significant back catalogue of programming that it is able to rely upon.

One uncertainty facing the broadcast industry generally is the migration of viewing habits from traditional linear broadcast to online and on-demand platforms, particularly by younger audiences. This has led to a number of high profile media mergers and, sometimes, the closure of some linear TV channels. The Company continues to monitor viewing patterns closely but Management are of the view that the loyalty of its viewers, the current lack of availability of equivalent programming from other media outlets and the continued prevalence of satellite tv delivery in its core territories mean that its current strategy of satellite linear TV delivery, supported by an active social media presence, continues to be the correct formula.

On behalf of the board

Mr K Abbassi  
**Director**

29 October 2021

## **MARJAN TELEVISION NETWORK LIMITED**

### **DIRECTOR'S REPORT**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The director presents his report and financial statements for the year ended 30 September 2020.

#### **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.

#### **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 7.

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

#### **Financial instruments**

##### **Treasury operations and financial instruments**

The company operates a treasury function which is responsible for managing the liquidity risk associated with the company activities.

The company's financial instruments comprise cash at bank, trade debtors and trade creditors that arise directly from operations and loan from parent company. The financial risks affecting the company is monitored and reviewed by the director on a regular basis.

#### **Liquidity risk**

Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### **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.

**MARJAN TELEVISION NETWORK LIMITED**

**DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**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**

In accordance with the company's articles, a resolution proposing that Silver Levene (UK) Limited be reappointed as auditor of the company will be put at a General Meeting.

On behalf of the board

Mr K Abbassi

**Director**

29 October 2021

## MARJAN TELEVISION NETWORK LIMITED

### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBER OF MARJAN TELEVISION NETWORK LIMITED

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##### Opinion

We have audited the financial statements of Marjan Television Network Limited (the 'company') for the year ended 30 September 2020 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### Basis for opinion

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

##### Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the company relies heavily on financial support from its shareholder. Despite its shareholder has given its undertaking to continue to provide financial support to the company to enable the company meets its liabilities as and when they fall due, the director is aware of potential material uncertainties relating to going concern if the financial support is withdrawn. As stated in note 1.2, these events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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.



## **MARJAN TELEVISION NETWORK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF MARJAN TELEVISION NETWORK LIMITED**

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##### **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 director determines 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 has 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: <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 member 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 member those matters we are required to state to him 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 member 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**

37 Warren Street  
London  
W1T 6AD

29 October 2021

**MARJAN TELEVISION NETWORK LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	1,190,569	898,240
Cost of sales		(11,962,612)	(11,036,059)
<b>Gross loss</b>		(10,772,043)	(10,137,819)
Administrative expenses		(12,291,701)	(10,469,657)
Other operating income	<b>4</b>	45,419	211,495
<b>Loss before taxation</b>		(23,018,325)	(20,395,981)
Tax on loss	<b>8</b>	-	-
<b>Loss for the financial year</b>		(23,018,325)	(20,395,981)

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 2020**

**Company Registration No. 07020659**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	9	746,882		642,595	
Tangible assets	10	4,979,783		4,729,291	
		<u>5,726,665</u>		<u>5,371,886</u>	
<b>Current assets</b>					
Debtors	12	773,781		421,271	
Cash at bank and in hand		4,520,085		4,738,319	
		<u>5,293,866</u>		<u>5,159,590</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(20,794,387)</u>		<u>(46,977,007)</u>	
<b>Net current liabilities</b>		<u>(15,500,521)</u>		<u>(41,817,417)</u>	
<b>Total assets less current liabilities</b>		<u>(9,773,856)</u>		<u>(36,445,531)</u>	
<b>Capital and reserves</b>					
Called up share capital	15	144,590,001		94,900,001	
Profit and loss reserves		<u>(154,363,857)</u>		<u>(131,345,532)</u>	
<b>Total equity</b>		<u>(9,773,856)</u>		<u>(36,445,531)</u>	

The financial statements were approved and signed by the director and authorised for issue on 29 October 2021

Mr K. Abbassi  
Director

**MARJAN TELEVISION NETWORK LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 October 2018</b>	94,900,001	(110,949,551)	(16,049,550)
<b>Year ended 30 September 2019:</b>			
Loss and total comprehensive income for the year	-	(20,395,981)	(20,395,981)
<b>Balance at 30 September 2019</b>	94,900,001	(131,345,532)	(36,445,531)
<b>Year ended 30 September 2020:</b>			
Loss and total comprehensive income for the year	-	(23,018,325)	(23,018,325)
Issue of share capital	49,690,000	-	49,690,000
<b>Balance at 30 September 2020</b>	144,590,001	(154,363,857)	(9,773,856)

**MARJAN TELEVISION NETWORK LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	21	(20,406,124)		(18,427,766)	
<b>Investing activities</b>					
Purchase of intangible assets		(1,591,471)		(1,285,189)	
Purchase of tangible fixed assets		(1,586,134)		(1,403,560)	
<b>Net cash used in investing activities</b>		(3,177,605)		(2,688,749)	
<b>Financing activities</b>					
Proceeds from borrowings		23,365,495		21,808,217	
<b>Net cash generated from financing activities</b>		23,365,495		21,808,217	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(218,234)		691,702	
Cash and cash equivalents at beginning of year		4,738,319		4,046,617	
<b>Cash and cash equivalents at end of year</b>		4,520,085		4,738,319	

**MARJAN TELEVISION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**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 37 Warren Street, London, W1T 6AD.

**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 company is currently facing unprecedented uncertainty about the impact of COVID-19 pandemic. The director has foreseen the challenges in the coming months. The director has considered carefully the potential impact of these matters, taking into account of available cash resources, including access to existing financing facilities and the willingness of financial support from its as of the date of signing this report. Thus, these financial statements are prepared on the going concern basis. The director has a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the director is aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The company relies heavily on financial support from its shareholder. Despite its shareholder has given its undertaking to continue to provide financial support to the company to enable the company meets its liabilities as and when they fall due, the director is aware of potential material uncertainties relating to going concern if the financial support is withdrawn.

**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.

Revenue from studio hire is recognised in the period in which the studio hire has been agreed.

**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:

Licence fees	Over 2 years
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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.

## MARJAN TELEVISION NETWORK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 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:

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

#### 1.8 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.

## MARJAN TELEVISION NETWORK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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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.

##### 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.



## MARJAN TELEVISION NETWORK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 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 through 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.

## MARJAN TELEVISION NETWORK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 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, 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.

##### 1.14 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.

##### 1.15 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.

##### 1.16 Production costs

Production costs incurred in developing the television programmes are charged to profit and loss account in the period in which the costs were incurred when the outcome of a programme cannot be estimated reliably.

#### 2 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.

## MARJAN TELEVISION NETWORK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 SEPTEMBER 2020

## 2 Judgements and key sources of estimation uncertainty

(Continued)

### 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.

### Useful economic lives of intangible assets (note 1.4)

The annual amortisation charge for licence fees is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation of the assets.

The useful economic life of the licence fees is considered to be a source of significant estimation uncertainty. The licence fees have carrying value of £746,882 at 30 September 2020 and the director has determined the remaining life to be two years. However, the actual useful life might be shorter or longer than two years, depending on the expiration of the licences. In the opinion of the director, it is impractical to calculate the amortisation charge of each licence fee. Based on a useful life of six months, the carrying amount is expected to be £315,721. If it was three years, the carrying amount would instead be £1,367,938.

## 3 Turnover and other revenue

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

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Advertising	1,190,569	898,240
	<u>          </u>	<u>          </u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Grants received	1,097	-
	<u>          </u>	<u>          </u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
Europe	421,269	452,228
Rest of the World	769,300	446,012
	<u>          </u>	<u>          </u>
	1,190,569	898,240
	<u>          </u>	<u>          </u>

## 4 Other Income

Other income includes £1,097 in relation to coronavirus statutory sick pay rebate.

**MARJAN TELEVISION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**5 Operating loss**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	6,654	19,652
Government grants	(1,097)	-
Fees payable to the company's auditor for the audit of the company's financial statements	25,000	22,500
Depreciation of owned tangible fixed assets	1,335,642	883,027
Amortisation of intangible assets	1,487,184	1,164,063
Operating lease charges	1,620,267	1,054,252
	<u>          </u>	<u>          </u>

**6 Employees**

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Office and management	3	3
Sales and production	155	147
	<u>          </u>	<u>          </u>
Total	158	150
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	6,484,653	5,853,123
Social security costs	703,708	627,703
Pension costs	129,100	127,750
	<u>          </u>	<u>          </u>
	7,317,461	6,608,576
	<u>          </u>	<u>          </u>

**7 Director's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	155,335	157,537
	<u>          </u>	<u>          </u>

**MARJAN TELEVISION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**8 Taxation**

	2020 £	2019 £
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	(23,018,325)	(20,395,981)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(4,373,482)	(3,875,236)
Tax effect of expenses that are not deductible in determining taxable profit	3,110	2,080
Unutilised tax losses carried forward	4,417,080	3,853,886
Permanent capital allowances in excess of depreciation	(46,708)	19,270
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 £149 million (2019: £126 million) as it is not probable that they will be recovered against the future taxable profits.

**9 Intangible fixed assets**

	Licence fees £
<b>Cost</b>	
At 1 October 2019	3,394,289
Additions	1,591,471
Disposals	(2,306,286)
At 30 September 2020	2,679,474
<b>Amortisation and impairment</b>	
At 1 October 2019	2,751,694
Amortisation charged for the year	1,487,184
Disposals	(2,306,286)
At 30 September 2020	1,932,592
<b>Carrying amount</b>	
At 30 September 2020	746,882
At 30 September 2019	642,595

**MARJAN TELEVISION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**10 Tangible fixed assets**

	Leasehold improvements	Broadcast equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2019	4,869,767	3,666,349	1,983,936	13,771	10,533,823
Additions	-	226,253	1,359,881	-	1,586,134
At 30 September 2020	4,869,767	3,892,602	3,343,817	13,771	12,119,957
<b>Depreciation and impairment</b>					
At 1 October 2019	1,594,861	3,010,069	1,185,831	13,771	5,804,532
Depreciation charged in the year	324,784	427,370	583,488	-	1,335,642
At 30 September 2020	1,919,645	3,437,439	1,769,319	13,771	7,140,174
<b>Carrying amount</b>					
At 30 September 2020	2,950,122	455,163	1,574,498	-	4,979,783
At 30 September 2019	3,274,906	656,280	798,105	-	4,729,291

**11 Financial instruments**

	2020 £	2019 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	85,540	19,817
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	20,593,034	46,797,881

**12 Debtors**

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	72,581	618
Other debtors	165,319	133,770
Prepayments and accrued income	535,881	286,883
	773,781	421,271

**MARJAN TELEVISION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**13 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,333,124	1,199,230
Amounts owed to group undertakings	19,103,142	45,427,647
Taxation and social security	201,353	179,126
Other creditors	58,657	97,016
Accruals and deferred income	98,111	73,988
	<u>20,794,387</u>	<u>46,977,007</u>

**14 Retirement benefit schemes**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	129,100	127,750
	<u>129,100</u>	<u>127,750</u>

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 £25,327 (2019: £26,747) were payable to the fund at the year end and are included in other creditors.

**15 Share capital**

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	144,590,001	94,900,001	144,590,001	94,900,001
	<u>144,590,001</u>	<u>94,900,001</u>	<u>144,590,001</u>	<u>94,900,001</u>

On 25 November 2019, by written resolution the company allotted ordinary shares of £1 each with an aggregate nominal value of £49,690,000 by way of capitalisation of loan from its shareholder.

**16 Financial commitments, guarantees and contingent liabilities**

The company's banker held a charge of £15,000 on a bank deposit account.

A complaint has been lodged with Ofcom for breach of family privacy by an individual and if the company is found to have breached the Ofcom's broadcasting code there would be a potential fine of up to £150k. The extent to which an outflow of funds will be required is dependent on the conclusion of the above complaint.

**MARJAN TELEVISION NETWORK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020****17 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:

	2020 £	2019 £
Within one year	1,700,000	1,050,000
Between two and five years	6,800,000	4,200,000
In over five years	6,972,329	5,356,438
	<u>15,472,329</u>	<u>10,606,438</u>

**18 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	2020 £	2019 £
Acquisition of tangible fixed assets	75,000	-
Acquisition of intangible assets	341,000	-
	<u>416,000</u>	<u>-</u>

**19 Related party transactions****Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Remuneration	243,972	246,711
	<u>243,972</u>	<u>246,711</u>

**Transactions with related parties**

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
<b>Amounts owed to related parties</b>		
Marjan Holdings Limited	19,103,142	45,427,647
	<u>19,103,142</u>	<u>45,427,647</u>

This liability is interest free and repayable on demand.

**20 Ultimate 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.



**MARJAN TELEVISION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**21 Cash absorbed by operations**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss for the year after tax	(23,018,325)	(20,395,981)
<b>Adjustments for:</b>		
Amortisation and impairment of intangible assets	1,487,184	1,164,063
Depreciation and impairment of tangible fixed assets	1,335,642	883,027
<b>Movements in working capital:</b>		
Increase in debtors	(352,510)	(27,156)
Increase/(decrease) in creditors	141,885	(51,719)
<b>Cash absorbed by operations</b>	<u>(20,406,124)</u>	<u>(18,427,766)</u>

**22 Analysis of changes in net debt**

	<b>2020</b>
	<b>£</b>
<b>Opening net funds</b>	
Cash at bank and in hand	4,738,319
<b>Changes in net debt arising from:</b>	
Cash flows of the entity	(23,583,729)
Other non-cash changes	23,365,495
<b>Closing net funds as analysed below</b>	<u>4,520,085</u>
<b>Closing net funds</b>	
Cash at bank and in hand	<u>4,520,085</u>

**MARJAN TELEVISION NETWORK LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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.