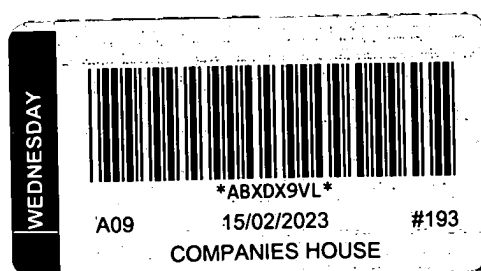


Registered Number: 09489484

THAT'S MEDIA LIMITED

**ANNUAL REPORT AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



THAT'S MEDIA LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2021

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THAT'S MEDIA LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	Edward Douglas Simons Daniel Cass Kent Leslie Walwin
SECRETARY:	Susan Phillips
REGISTERED OFFICE AND COMPANY HEAD OFFICE:	27 Modwen Road Waters Edge Business Park Salford Greater Manchester M5 3EZ, UK
REGISTERED NUMBER:	09489484 (England and Wales)
INDEPENDENT AUDITORS:	MAH, Chartered Accountants 154 Bishopsgate London EC2M 4LN, UK
COMPANY WEBSITE:	www.thats.tv

CAUTIONARY STATEMENT

The annual report and audited consolidated financial statements contain certain forward-looking statements with respect to certain risks and uncertainties facing the Group. These risks and uncertainties can be identified by use of forward-looking terminology such as “believe”, “could”, “expects”, “plan”, “propose”, “anticipate”, “envisage”, “estimate”, “intend”, “should”, “may” or comparable terminology indicating expectations or beliefs concerning future events. By their very nature, these forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances which may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements reflect certain knowledge and information available to the Board at the date of preparation of this report and will not be updated during the year. Nothing in the annual report and audited consolidated financial statements should be construed as a profit forecast.

THAT'S MEDIA LIMITED
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Guidance note

This statement (**Chairman's Statement**) is intended as an overview of relevant matters pertaining to That's Media Limited (the **Company**) consolidated with its subsidiary undertakings (**That's Media** or the **Group**) as a whole.

The Chairman's Statement and accompanying Report of the Directors is not intended as a full strategic report and/or a comprehensive review of Company or Group activities (during or after the reporting period) or of future plans or risks. It may exclude, inter alia, information which the Board deems to be confidential or sensitive at the time of publication.

Unless the context otherwise requires, references to the **current year, this year, the year or the period** are in respect of the financial year ended 31 December 2021. References to a **UK-wide** broadcast services indicate that a service has transmission coverage of a substantial proportion of homes (but not all homes) in the United Kingdom of Great Britain and Northern Ireland (**UK**).

Highlights

- Broadcast coverage expanded through launch of UK-wide service on Freeview, Sky and Freesat
- Consolidated EBITDA of £604,105 (2020: £309,508)
- Targeted acquisition and launches post-balance sheet

Financial overview

As set out in the consolidated income statement for the year, the Group's earnings before interest, tax, depreciation and amortisation (**EBITDA**) was £604,105 (2020: £309,508).¹

Local digital television programme (local TV) services

In 2022 it was the tenth anniversary since That's Media won its first local TV licence. Today the Group is the UK's largest local TV operator, holding 20 licences issued by the Office of Communications (**Ofcom**). This includes licences for many of the smaller UK towns which the Directors consider to be particularly underserved by other television news services.

The Company has benefited from highly-stable ownership and management, enabling it to work towards the fulfilment of its long-term vision. The Directors have worked tirelessly over a number of years to seek to ensure that the Group's local TV licences operate in accordance with the original vision of the Secretary of State who introduced local TV, Rt Hon Jeremy Hunt MP, who anticipated local news windows being incorporated within a UK network schedule or 'backbone'. This is a model which is established overseas, and the Board believes that its commercial rationale is beyond reasonable question.

The Group's local TV services, which use the That's TV umbrella brand, seek to deliver balanced and digestible news and information within a network schedule which often includes nostalgic music, classic entertainment and true-life documentaries. The Board regards these genres as often capable of evoking memories or emotion. The services are provided for free on digital terrestrial television (**DTT** or **Freeview**) within their designated geographic coverage areas.

The Group's commercial activity subsidises its local news provision. The majority of local TV licences have changed their ownership over the past decade, including the 13 licences which were acquired by That's Media following a failure of their original business plans. By establishing a unified operating structure That's Media has been able to implement efficiencies and synergies; develop an entertainment backbone under its own editorial control; secure commercial revenues through UK network audience measurement and establish a network brand identity to enhance its profile and enable brand extensions.

¹ EBITDA is a non-IFRS measure and includes add-backs for certain items charged to operating profit that are not considered to reflect the underlying performance of the Group's business. The stated EBITDA excludes the share of profit of associated undertakings attributable to the Group.

THAT'S MEDIA LIMITED
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Local digital television programme (local TV) services – continued

As part of its strategy to position the That's TV brand as 'The Home of Iconic TV', in November 2021 the Group announced it had acquired the rights to broadcast The Benny Hill Show, one of the most famous shows in British television history. This resulted in significant press coverage including the front-page of the Daily Star. Other programmes have featured stars of the past 50+ years including Kenny Everett, Frankie Howerd, Jeremy Beadle and Mike Yarwood. A number of these much-loved shows had not been shown on British network television for well over a decade.

The Group's local TV services all broadcast a special news programme on the day of the death of Duke of Edinburgh in April 2021.

It is heartening to know just how much the Group's news and entertainment programming means to viewers, and management is frequently touched by the comments of thanks and appreciation received.

UK service launches

In summer 2021, That's Media launched a UK-wide version of the That's TV Network schedule (network programming excluding the local content) on Freeview, for the benefit of viewers who cannot receive the Group's local TV services. This was achieved by contracting with the transmission company, Arqiva, for UK-wide capacity using its DTT infrastructure (generally known as a multiplex) referred to as COM7.

The UK version of the That's TV service also launched on the Sky and Freesat branded satellite television platforms and on the Vision TV streaming portal (the latter is available on compatible internet-connected Freeview sets).

The That's TV Network (comprising all services carrying the That's TV network schedule) subscribes to the official television audience measurement system managed by BARB Audiences Limited (**BARB**). BARB measurement underpins nearly all broadcast television advertising sales in the UK and is therefore critical to the Group's commercial model.

According to BARB, That's TV Network registered 4,344,000 viewers in December 2021 which equates to around 7% UK population reach (source: BARB consolidated 3 min consecutive viewing). BARB ratings in the second half of the year reflected the additional UK-wide Freeview, Sky and Freesat carriage secured.

In summer 2021 the Group contracted Axiom Media Sales Limited (**Axiom**), an established media sales house, as the airtime sales representative for the That's TV Network. The Board places on record its thanks to Axiom for the efficiency and professionalism in which it has implemented this contract during the year.

Ofcom premises decision

During the pandemic the Group reviewed how best to operate local news services in accordance with public health guidance. Consequently the Group's offices in Glasgow and Salford became its main news studio hubs. In Autumn 2021 the Group secured Ofcom's consent for this arrangement to continue permanently subject to maintaining local journalism.

The Board welcomes Ofcom's decision and its recognition that its regulation of local TV must have sustainability at its core. The Directors strongly believe that these types of regulatory obligations should be broadly aligned across licensees in the local TV and radio sectors.

As the offices in Salford and Glasgow are owned by That's Media (on a virtual freehold or similar basis) they provide the Group with studio hubs with relatively low ongoing premises overheads in the near-term.

THAT'S MEDIA LIMITED
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021 (*continued*)

Environmental, social and governance (ESG)

That's Media's ESG statement is published within this report and the Board intends to continue to review how to further enhance the Group's approach.

Through the pandemic, the Group's local TV services provided a voice to local communities and regularly enabled community leaders to discuss policy issues.

The Board is particularly proud of the role the Group plays in identifying and nurturing talent and providing a launch-pad for careers in broadcasting including, frequently, for those from less prosperous backgrounds.

As part of the Board's commitment to supporting colleagues, the Group recently contracted with a substantial provider of employee assistance programmes in order to offer all staff access to a 24-hour confidential helpline, in-person counselling and other support services.

Comux UK Ltd (Comux)

Comux is the DTT multiplex operator which is required to contract to provide carriage to all local TV services on a non-discriminatory basis and support the sector in accordance with its Ofcom licence and applicable laws. Comux was established with approaching £25m grant funding and recently received further grant funding which was made available to all Freeview multiplex operators in order to implement the Government's spectrum reorganisation.

The Group holds 20 of the 34 shares in Comux (one for each local TV licence granted) although Comux's articles of association do not allow any single shareholder to control the company. The Group equity accounts for Comux in its consolidated accounts.

The Board welcomes the recently-announced appointment of a new Comux chair and chief executive following the planned retirement of previous post-holders.

Finance

During the year the Group repaid its non-bank loan and secured a new revolving credit facility from the business finance lender Lendnet LLP (**Lendnet**). The Board welcomes the support of Lendnet for the Group's business model.

Post-balance sheet

In June 2022, following the planned closure of the COM7 multiplex, Arqiva moved the carriage of the That's TV (UK) service to the COM6 multiplex. The Group is also now taking the opportunity to pilot music services on various platforms and, in January 2023, launched two sub-brands, That's 60s and That's 80s, playing music from the 1960s and 1980s respectively. To facilitate this the Group commissioned its technical suppliers, aQ Broadcast, to install a new playout system located at Arqiva premises.

Freeview and Sky channel numbers are generally tradeable (subject to certain conditions) and the Group has invested post-balance sheet in acquiring a number of channel positions from third parties.

THAT'S MEDIA LIMITED
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Post-balance sheet – continued

The Group has continued to license archive programming including, post balance sheet, The Goodies, The Fall and Rise of Reginald Perrin, The Mrs Merton Show, Hale and Pace, Russ Abbot's Madhouse, Nearest and Dearest, Sez Les (Les Dawson), Harry Enfield's Television Programme, Cribbins (Bernard Cribbins Show), Whatever Happened to the Likely Lads?, The Kumars at No.42, Till Death Us Do Part, In Sickness and In Health and Monty Python's Flying Circus. In several cases these classic series' had not been broadcast on British network television for many years.

Viewers in Greater Manchester are able to receive a number of additional Freeview channels (not broadcast elsewhere on UK Freeview) due to a spectrum auction conducted by Ofcom in 2009. In 2022 the Group acquired the entire issued share capital of United Television Networks Limited (UTN) a media services group which holds this spectrum licence and operates the Freeview multiplex which delivers these additional channels in Greater Manchester. UTN's other business interests include TV Warehouse, a shopping channel which is available UK-wide on Sky and on the aforementioned Freeview multiplex for Greater Manchester.

As a mark of respect, the Group suspended normal programming and advertising on all services immediately following the announcement of the passing of Queen Elizabeth II in September 2022.

Outlook

The Board's strategy remains to seek to steadily develop the *That's* brand and develop a robust multi-platform business.

In last year's report I commented on the compassion, community support and resilience which were often witnessed during the pandemic. The aftermath of the pandemic has brought new challenges, with war now raging in Europe and economic pressures facing many at home.

The Group's strategy is predicated on the Board retaining its clear vision and focus whatever the economic headwinds. In recent years the Board has sought to act dynamically (i) to consolidate formerly struggling local TV services; (ii) to develop its own commercially-funded network programme schedule measured by BARB; and (iii) to broaden the business. The Board believes that the key decisions it has taken over recent years has laid strong foundations, enabling the Group to pursue its strategy with optimism. The Board intends to continue to review opportunities as and when appropriate.

Thank you

I commend the talents of all colleagues, suppliers and clients who together ensure the Group maintains its year-round service delivery and thank them for their ongoing commitment.

DocuSigned by:
Edward Simons
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E D Simons – Chairman
13 February 2023

THAT'S MEDIA LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Directors of That's Media (**Board or Directors**) present their report with the audited financial statements of the Company and the Group for the year ended 31 December 2021. Unless otherwise stated or the context otherwise requires, definitions used in the report and accounts are consistent with those used in the Chairman's Statement.

The presentation currency of the accounts is pounds sterling (£) which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest pound (£1).

PRINCIPAL ACTIVITY

The principal activity of the Company is that of being a holding company for Group companies. The Company seeks to establish and acquire companies and assets within the media, entertainment, production and technology sectors for the purpose of enhancing societal and shareholder value by developing them and exploiting synergies. The principal activity of the Group is the provision of media services and production.

OFCOM LICENCES

At the balance sheet date the Group held 20 of the 34 local digital television programme (**local TV**) licences issued by Ofcom (2020: 20). The licences enable the Group to provide targeted services on Freeview in their transmission coverage areas. The locations in which the Group is licensed to provide local TV services are referred to by Ofcom for licensing purposes as the licences for Aberdeen, Ayr, Basingstoke, Cambridge, Carlisle, Dundee, Edinburgh, Glasgow, Grimsby, Guildford, Manchester, Norwich, Oxford, Preston, Reading, Salisbury, Scarborough, Southampton, Swansea and York.

The Group's local TV services operate under the That's TV umbrella brand and broadcast a commercially-funded network entertainment schedule alongside local news and information content. The Group launched a UK-targeted service during the year on Freeview, Sky and Freesat broadcasting a version of the That's TV network schedule (a substantially similar schedule as generally carried by the Group's local TV network excluding local content).

TRADEMARK

That's TV is a registered trademark of That's TV Network Limited.

KEY PERFORMANCE INDICATOR'S (KPIs)

The Directors monitor the progress of the Group by particular reference to BARB commercial impacts, income and costs and other material operational indicators. The overriding objective of the Company and the Group is to achieve sustainable service delivery. As the Group's growth strategy further develops, the Board intends to put in place new KPIs.

FUTURE DEVELOPMENTS

The Group plans to continue its commercial and operational business in accordance with its strategy. Further background is contained within the Chairman's Statement.

DIVIDEND POLICY

The current Board policy is for the Company to reinvest any net earnings to finance the growth and expansion of the Group's business and, accordingly, the Directors do not intend that the Company shall pay dividends for the foreseeable future. The Board will continue to review the appropriateness of the dividend policy at the business of the Group develops. At that time, the payments of dividends will be subject to the availability of distributable reserves whilst making an appropriate level of dividend cover and having regard to the need to retain sufficient funds to finance further development of the Group's activities.

No dividends have been paid or proposed in the year (2020: Nil).

POLITICAL OR CHARITABLE DONATIONS

There were no disclosable political or charitable donations or activities during the year (2020: Nil).

THAT'S MEDIA LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021 *(continued)*

FINANCIAL INSTRUMENTS, RISKS AND UNCERTAINTIES

The Group's operations, business and profitability may be affected by a number of factors including factors that may be beyond its direct control including (without limitation) inflation, market conditions, war, terrorism or sabotage.

Further risks and uncertainties facing the Group include:

- actions by governmental or regulatory bodies, or changes in the legal and regulatory framework in which the Group operates;
- the ability of the Group to maintain and develop its technical infrastructure and content offering to satisfy (i) legal and regulatory expectations and (ii) consumer and client demand as the market and regulation evolves;
- the ability of the Group to manage delivery, perform in accordance with management expectations or otherwise realise the benefits anticipated from current or future projects;
- the ability of the Group to recruit and retain personnel and secure and maintain appropriate supply agreements in a competitive commercial environment;
- the ability of the Group to obtain financing or maintain sufficient capital to fund its long-term business plan;
- the potential for complaints, disputes and/or litigation with third parties; and
- the potential for incidents of cyber-attack or data breach.

This is not intended as an exhaustive review of risks and uncertainties. Whilst risk is inherent in the business of the Group, the Board's general approach is to review opportunities (in discussion with advisers and/or stakeholders where considered appropriate) and seek to put in place procedures appropriate to mitigate substantive undue risk.

The Directors consider that the principal risk that the Company faces in the immediate future is liquidity risk. This arises from timing differences between cash inflows and outflows. These risks are managed by the Board for the Group through, inter alia, credit facilities. The Company's policy is to seek to ensure continuity of funding and to maintain sufficient cash balances and facilities to meet anticipated Group funding requirements.

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report:

Edward Douglas Simons
Daniel Cass
Kent Leslie Walwin

Qualifying third party indemnity provision for the benefit of the Directors was in place during the year and continues to be in place. The Company also purchased and maintained throughout this period Directors' and Officers' liability insurance in respect of itself and its Directors.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Directors exercise their duties in accordance with section 172(1) of the Companies Act 2006. The Directors consider that they have successfully discharged their duty to promote the long-term success of the Company for the benefit of its members as a whole, having regard to the section 172 principles.

The role of the Board is to oversee the performance and strategy of the Company. Given the size of the Group and its systems and the close involvement of the Directors in its management, the Board does not consider that there is a requirement for an internal audit function in the immediate future.

The Directors have approved an environmental, social and governance (ESG) statement which is included on pages 10 to 12 of this report.

THAT'S MEDIA LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on Group websites. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the UK regarding the publication and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Under section 487(2) of the Companies Act 2006, MAH, Chartered Accountants will be deemed to have been reappointed as auditors 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing these accounts with the registrar, whichever is earlier.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's independent auditors' (**Auditors**) are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies. Accordingly, no full strategic report is provided.

ON BEHALF OF THE BOARD:

DocuSigned by:
Edward Simons
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E D Simons - Director
13 February 2023

DocuSigned by:
Kent Walwin
DD1CAF2A106A4B9...

K Walwin - Director
13 February 2023

THAT'S MEDIA LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT

1. Purpose

That's Media Limited (the **Company**) and its subsidiary companies (the **Group**) seek to work with others who share the Group's passion, integrity and commitment to delivering media and entertainment services in a socially responsible manner.

The Group aims to operate a sustainable business that secures shareholder value by meeting consumer demand.

The Group strives to maintain high values, standards and processes to secure its aims.

This statement is intended as a non-exhaustive summary of the Group's principles and priorities and all aspects of the Group's business should be conducted in the spirit of its contents.

2. Programming

The Group is the largest holder of local public service television channel licences granted in the United Kingdom of Great Britain and Northern Ireland (**UK**) by the Office of Communications (**Ofcom**). The Group believes that these licences are able to provide the foundation for a television network that serves audiences in communities who may feel under-served by many other media providers.

It is intended that the Group's commercial activities shall substantially fund the generation of local news content. The Group's business model uses revenues from network entertainment programming to financially support its news production. The Group seeks to build a substantial television business with the size and scale to offer:

- a space where a range of issues, views, people and organisations secure coverage, enhancing the diversity of voices and stories broadcast in UK towns and cities of many different sizes;
- a platform for talented journalists to develop their work; and
- an antidote to the perceived metropolitan outlook of some other television networks.

The Group believes that true public service television 'receives' as well as 'transmits'. By engaging with viewers in UK towns and cities, the Group aims to make a distinct contribution to UK media.

The Group delivers its core broadcast news services free-at-the-point-of-use and independent of commercial interests.

The Group recognises the potential for conflict with today's societal values when broadcasting classic television and film content. The Group seeks to act in good faith with regard to these works. The Group's policy is to broadcast messages at the start of programming if it believes the content has the potential to cause offence to some viewers.

3. People

The Group seeks to work with others with relevant competence who share its values. The Group's guiding principle is to foster working environments where everyone feels welcome and respected.

The Group is accredited by the Living Wage Foundation and ensures all of its staff are paid no less than the real Living Wage. All staff, agents and contractors (**Team Members**) should be aware of the terms and conditions of their employment or engagement which shall be fair and consistent with good industry practice. Work experience and apprenticeship programmes, where used, shall comply with all applicable laws and take account of advice from experts in the field.

The Group expects Team Members to act with integrity towards one another and the business and exercise a high standard of business practice and ethics. Effective communication should ensure that all those who work with the Group or on its behalf are aware of the Group's expectations. All news producers and reporters shall be issued with guidelines setting out the values and standards which the Group upholds. The Group believes in maintaining a supportive environment and establishing two-way communications. As part of its staff recognition programme, the Group runs an award programme recognising outstanding local news delivery by Team Members.

THAT'S MEDIA LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT (*continued*)

The Group believes that everyone has a role to play in creating a safe and welcoming working environment for themselves and others. The Group has a written health and safety policy that is reviewed at least annually. Team Members are notified that health and safety takes precedence over production deadlines. Before entrusting tasks to others, the Group will take appropriate account of their capabilities with regards to health and safety.

The Group does not tolerate harassment (sexual or otherwise), or bullying in any form. The Group respects difference and will treat all Team Members fairly. The Group is committed to making reasonable adjustments to enable it to work with people with disabilities. The Group is an active champion of the creation of opportunities in journalism, including opportunities for people from less privileged families or backgrounds, and will consider means of contributing to forums with other media service providers who share this aim.

The Group is committed to supporting the wellbeing of Team Members in and out of the workplace. The Group subscribes to a third party employee assistance programme providing all staff with a confidential and independent telephone helpline 24 hours per day and access to free counselling.

4. **Modern slavery**

The Group will publish an annual statement in accordance with its policy of minimising the risks of modern slavery or human trafficking in its business and supply chains.

5. **Personal data**

The Group has adopted policies designed to ensure compliance with applicable data protection legislation.

Data received should not be used for any personal gain, nor for any purpose beyond that for which it was intended.

The Group will give consumers information on their rights concerning their data, as well as ways to contact the Group with questions or concerns.

6. **Environment**

The Group is committed to seeking the most appropriate ways to minimise any negative impact it has on the environment.

The Group aims to use natural resources efficiently and promote the principles of 'reduce, reuse and recycle'. The Group pays particular attention to waste minimisation and resource efficiency and to ensuring it sources safe and sustainable materials where practically and economically feasible to do so. In accordance with this approach, the Group seeks to avoid printing where possible, and strives to implement 'paperless' productions (where running orders are distributed electronically).

The Group promotes the use of public transport rather than private motor vehicles where safe and practical to do so and the use of remote video facilities when appropriate to reduce the need for travel.

The Group uses lower power fluorescent or LED lighting fixtures where feasible, rather than power consuming incandescent studio lighting. The Group seeks to put in place sensible controls for energy usage and encourage its suppliers to offer energy-efficient equipment. When energy contracts come up for renewal the Group shall use reasonable endeavours to contract with renewable energy suppliers consistent with the principle of achieving long-term sustainability in all aspects of the business.

7. **Trust**

The Group holds as fundamental to its success the trust and confidence of the public and those with whom it deals, including clients and suppliers. Representatives of the Group are expected to act with integrity in their work conduct.

The Group has a corporate hospitality and gifts policy which provides rules and guidelines aimed at minimising the possibility of conflicts of interest.

The Group is fundamentally opposed to any acts of bribery and to the making of facilitation payments as defined by the Bribery Act 2010. All Team Members are encouraged to report any suspicion of bribery or corruption.

THAT'S MEDIA LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT *(continued)*

8. Processes

The Group seeks to maximise the effectiveness of its systems in order to secure optimal performance.

The Company believes in adopting and adhering to standards of corporate governance appropriate to the size and scale of the Group. The Group will take appropriate action to protect its assets from loss, misuse, damage, theft or sabotage. The Group will periodically review its policies and procedures including its business continuity and disaster recovery plans.

Consistent with its commitment to a high degree of transparency, the Company prepares consolidated Group accounts and voluntarily submits these to independent audit review.

The Group maintains procedures intended to ensure compliance with its legal and regulatory obligations. The Group will strive to maintain appropriate dialogue with relevant governmental and regulatory bodies including by participating in relevant industry forums.

9. Suppliers, clients and stakeholders

The Group aims to build strong relationships with key clients, suppliers and other stakeholders and to understand their objectives.

The Group requires its commercial advertising inventory to be sold with integrity and, generally where practical, with reference to industry-accepted audience measurement metrics.

The Group will procure fairly and abide by applicable laws designed to prevent money laundering, criminal financing and tax evasion.

The Group will comply with all applicable antitrust, competition and trade laws and regulations.

The Group expects all suppliers and agents to work towards and uphold appropriate professional and ethical standards. The Group reserves the right to request information from suppliers regarding the production and sources of goods and services supplied. The Group may withdraw from any agreement or arrangement with a third party who is found to have acted in contravention of the fundamental spirit of the Group's approach.

10. Public service

The Group strives to reflect the tastes and interests of its viewers, including by providing compelling entertainment and targeted local news. The Group provides mechanisms for viewer contribution and feedback, including via its website at www.thats.tv

The Group will maintain a list of helplines on its website for those who may be affected by any of the issues that often tend to be covered in its news programming such as mental health and addiction.

The Group values its independence within the political process, and does not contribute its funds, assets, facilities or services to political parties or candidates standing for public election.

The Company will review and revise its environmental, social and governance (ESG) strategy on an ongoing basis. The Company will ensure that future iterations of the Group's ESG statement take appropriate account of changes in the organisation, legislation and stakeholder comments.

This statement constitutes a statement of values. It does not form a part of any contract between a Group company and any other entity other than to the extent expressly stated within a written agreement. In some cases, the Group also has more detailed statements, guidelines, policies and/or contractual agreements about certain subjects included in this statement. In that case, those documents may also apply and, where applicable, may be determined by the Company's directors to take precedence.

This statement was approved by the Board of Directors on 13 February 2023 and is signed on its behalf by:

DocuSigned by:

Edward Simons

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E D Simons - Director

13 February 2023

THAT'S MEDIA LIMITED
MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

This modern slavery and human trafficking statement is a response to Section 54(1), Part 6 of the Modern Slavery Act 2015 and relates to activities for the year ending 31 December 2021.

Modern slavery occurs where there is exploitation of a person and coercion to prevent them from leaving. Human trafficking is when an individual arranges or facilitates the travel of another person with a view to that person being exploited.

The Group supports the rule of law and is vehemently opposed to the use of slavery in all forms; cruel, inhuman or degrading punishments; and authoritarian attempts to control or reduce freedom of thought, conscience and religion.

That's Media Limited (the **Company**) is committed to minimising the risk of slavery and human trafficking violations in its operations and supply chains. The Company is the parent company of a number of subsidiaries (the **Group**) and has business operations based in the United Kingdom of Great Britain and Northern Ireland (**UK**).

The Group operates a number of policies and procedures intended to ensure that it is conducting its business in an ethical and transparent manner and has published an Environmental, Social and Governance statement.

The Group operates in the UK media sector which the Board considers to be low risk on the scale of risk for modern slavery and human trafficking, with a high proportion of workers having gained professional qualifications or experience. The primary focus for the purposes of assessing risk of modern slavery and human trafficking in respect of the Group's business rests in its supply chain. The Group obtains certain goods and services from external suppliers including specialist broadcast, IT and administrative support services, office goods, programming licences and cleaning and maintenance services.

The Group takes a risk-based approach to understanding and monitoring its supply chain and expects all suppliers to take a zero-tolerance approach to modern slavery and human trafficking. Any substantive new supplier is subject to an on-boarding process which includes consideration of the quality of their services and ways of working.

The Group will regularly evaluate the nature and extent of its exposure to the risk of modern slavery occurring and encourage colleagues to report any concerns. The Group may impose rights of compliance with the Group's policies in its contracts with contractors/suppliers and may require that they impose similar requirements on their own contractors/suppliers.

If non-compliance is identified, the Group will (subject to contractual obligations) terminate its arrangement with the contractor/supplier or require them to prepare and execute a remedial plan. The Group also reserves its right to engage with the appropriate authorities with a view to securing the optimal outcome for any potential victims.

The external services used by the Group are deemed by the Company's directors (**Board**) to be low risk in relation to slavery and human trafficking at the current time. Given what the Company understands to be a low risk profile, the Board believes that current diligence procedures are sufficient in this regard. The Board is not aware of any modern slavery or human trafficking occurring in the Group's business or supply chains in the period ending 31 December 2021 (2020: Nil).

This statement was approved by the Board of Directors on 13 February 2023 and is signed on its behalf by:

DocuSigned by:
Edward Simons
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E D Simons - Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THAT'S MEDIA LIMITED

Opinion

We have audited the financial statements of That's Media Limited for the period ended 31 December 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, company statement of financial position, company statement of changes in equity, company statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards to the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THAT'S MEDIA LIMITED (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in the preparing of the Directors' Report.

Responsibilities of Directors

As explained more fully in the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THAT'S MEDIA LIMITED (continued)**

Auditor's responsibilities for the audit of the financial statements

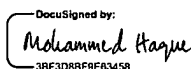
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are IFRS, the UK Companies Act 2006, and tax legislation (governed by HM Revenue and Customs).
- We understood how the Company is complying with those frameworks by making enquiries of senior management. We also reviewed any significant correspondence between the Company and HM Revenue and Customs, reviewed any minutes of the Board, and gained an understanding of the Company's approach to governance and its internal control processes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of senior management and a review of legal expenses.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DocuSigned by:

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Mohammed Haque
Senior Statutory Auditor

For and on behalf of
MAH, Chartered Accountants
Statutory Auditors
154 Bishopsgate
London
EC2M 4LN

Date: 13 February 2023

THAT'S MEDIA LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 £
TURNOVER	4	1,437,058	1,098,637
Other operating income		588,505	394,740
Administrative expenses		(1,753,560)	(1,492,992)
Operating profit/(loss)	5	272,003	385
Share of operating profits of associates less amounts receivable		790,000	783,310
Value adjustments on fixed asset investments		-	-
Interest receivable and similar income		52	354
Interest payable and similar expenses	7	(97,046)	(151,667)
PROFIT/(LOSS) BEFORE TAXATION		965,009	632,382
Tax on Profit/(loss)	8	(19,992)	(44,055)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		945,087	588,327
Other comprehensive income		-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE FINANCIAL YEAR		945,087	588,327
Profit/(Loss) attributable to:			
Owners of the parent		945,452	584,702
Non-controlling interests		(365)	3,625
		945,087	588,327
EBITDA		604,105	309,508

All amounts relate to continuing operations.

The accompanying notes on pages 22 to 39 form an integral part of these financial statements.

THAT'S MEDIA LIMITED (REGISTERED NUMBER: 09489484)

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Notes	Group 31.12.21 £	Group 31.12.20 £	Company 31.12.21 £	Company 31.12.20 £
ASSETS					
Non-current assets					
Intangible assets	10	919,772	977,822	-	-
Property, Plant & Equipment	11	441,113	436,867	-	-
Investments	12,13	1,905,049	1,115,049	504,529	504,529
		<u>3,265,934</u>	<u>2,529,738</u>	<u>504,529</u>	<u>504,529</u>
CURRENT ASSETS					
Trade and other receivables	14	381,068	35,984	1,768,295	737,800
Cash and cash equivalents	15	1,024,715	518,425	5,159	5,740
		<u>1,405,783</u>	<u>554,409</u>	<u>1,773,454</u>	<u>743,540</u>
TOTAL ASSETS		<u><u>4,671,717</u></u>	<u><u>3,084,147</u></u>	<u><u>2,277,983</u></u>	<u><u>1,248,069</u></u>
EQUITY					
Shareholders' Equity					
Called up share capital	18	73,941	73,941	73,941	73,941
Share premium		943,404	943,404	943,404	943,404
Non-Controlling Interests		(130,899)	(130,534)	-	-
Revaluation Surplus		55,000	55,000	-	-
Retained earnings / (accumulated deficit)		1,355,902	410,450	249,601	222,124
Total Equity		<u>2,297,348</u>	<u>1,352,261</u>	<u>1,266,946</u>	<u>1,239,469</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	16	938,369	495,886	11,037	8,600
Borrowings	16	-	800,000	-	-
		<u>938,369</u>	<u>1,295,886</u>	<u>11,037</u>	<u>8,600</u>
NON-CURRENT LIABILITIES					
Borrowings	17	1,000,000	-	1,000,000	-
Other payables	17	436,000	436,000	-	-
		<u>1,436,000</u>	<u>436,000</u>	<u>1,000,000</u>	<u>-</u>
TOTAL LIABILITIES		<u>2,374,369</u>	<u>1,731,886</u>	<u>1,011,037</u>	<u>8,600</u>
TOTAL EQUITY AND LIABILITIES		<u>4,671,717</u>	<u>3,084,147</u>	<u>2,277,983</u>	<u>1,248,069</u>

THAT'S MEDIA LIMITED (REGISTERED NUMBER: 09489484)
CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021 (continued)

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 13 February 2023 and were signed on its behalf by:

DocuSigned by:
Edward Simons
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E D Simons - Director

DocuSigned by:
Kent Walwin
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K Walwin – Director

The accompanying notes on pages 22 to 39 form an integral part of these financial statements.

THAT'S MEDIA LIMITED
CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Called up share capital £	Share premium £	Non- Controlling interests £	Revaluation Surplus £	Accumulated deficit £	Total equity £
Balance at 31 December 2019	72,888	924,257	(134,159)	-	(174,252)	688,734
Issue of shares during the period	1,053	19,147	-	-	-	20,200
Revaluation Gain for the period	-	-	-	55,000	-	55,000
Profit for the period	-	-	3,625	-	584,702	588,327
Balance at 31 December 2020	73,941	943,404	(130,534)	55,000	410,450	1,352,261
Issue of shares during the period	-	-	-	-	-	-
Revaluation Gain for the period	-	-	-	-	-	-
Profit for the period	-	-	(365)	-	945,452	945,087
Balance at 31 December 2021	73,941	943,404	(130,899)	55,000	1,355,902	2,297,348

Company	Called up share capital £	Share premium £			Accumulated deficit £	Total equity £
Balance at 31 December 2019	72,888	924,257			238,109	1,235,254
Issue of shares during the period	1,053	19,147			-	20,200
Loss for the period	-	-			(15,985)	(15,985)
Balance at 31 December 2020	73,941	943,404			222,124	1,239,469
Issue of shares during the period	-	-			-	-
Profit for the period	-	-			27,477	27,477
Balance at 31 December 2021	73,941	943,404			249,601	1,266,946

The accompanying notes on pages 22 to 39 form an integral part of these financial statements.

THAT'S MEDIA LIMITED
CONSOLIDATED AND COMPANY CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Cash flows from operating activities				
Operating (loss)/profit	1,062,003	794,926	27,477	(15,985)
(Increase)/decrease in trade and other receivables	(345,085)	(1,844)	(1,030,495)	28,631
(Decrease)/increase in trade and other payables	422,562	68,497	2,437	(32,096)
Depreciation	121,517	119,122	-	-
Amortisation	210,585	190,000	-	-
Other income	-	-	-	-
Adjustments relating to associates	(790,000)	(783,310)	-	-
Cash inflow/(outflow) from operations	681,582	376,160	(1,000,581)	(19,450)
Interest paid	(97,046)	(151,667)	-	-
Interest received	52	354	-	-
Net cash (outflow)/inflow from operating activities	584,588	(151,313)	(1,000,581)	(19,450)
Cash flows from investing activities				
Purchase of property, plant and equipment	(278,298)	(91,876)	-	-
Net investment in subsidiaries	-	-	-	-
Net cash outflow from financing activities	(278,298)	(91,876)	-	-
Cash flows from financing activities				
Repayment of property bank loan	-	-	-	-
Net proceeds from non-bank loans / facilities	200,000	-	1,000,000	-
Proceeds from issues of shares	-	20,200	-	20,200
Net cash inflow from financing activities	200,000	20,200	1,000,000	20,200
Increase/(decrease) in cash and equivalents	506,290	153,171	(581)	750
Cash and cash equivalents at the start of the year	518,425	365,254	5,740	4,990
Cash and cash equivalents at the end of the year	1,024,715	518,425	5,159	5,740

The accompanying notes on pages 22 to 39 form an integral part of these financial statements.

THAT'S MEDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

That's Media Limited (the **Company**) is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found in the Company Information section of this report. Further information on subsidiary and associated undertakings is included in notes 12 and 13.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as the **Group**) as at and for the 12 month period to 31 December 2021. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

The principal activity of the Group is the provision of media services and production.

2. ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively **IFRS**) as adopted for use in the European Union (**EU**) and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost basis as modified by the fair value of financial assets at fair value through profit and loss, as explained in the accounting policies below, and in accordance with IFRS. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

The Group has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that those standards or interpretations which have been issued by the International Accounting Standards Board, but which have not been adopted, will have a material impact on the financial statements of the Company in the period of initial application.

The following standards and interpretations to published standards are not yet effective:

New standard or interpretation	EU endorsement status	Mandatory effective date (periods beginning)
IAS 1 "Classification of Liabilities as current and non-current"	Endorsed	1 January 2023
IFRS 3 "Business Combinations"	Endorsed	1 January 2022
IAS 16 "Property, plant and Equipment"	Endorsed	1 January 2022
IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"	Endorsed	1 January 2022
IFRS 2018-2020 cycle	Endorsed	1 January 2022

None of the above are expected to have a material impact on the Company.

A summary of the Company's significant accounting policies is set out below.

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

2. ACCOUNTING POLICIES - continued

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (*continued*)**

2. ACCOUNTING POLICIES - *continued*

Basis of consolidation (*continued*)

The results of associated companies are incorporated using the equity method of accounting. Associated companies are entities over which the Group has significant influence but does not have the power to exercise control over the operating and financial policies. Under this method, an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate.

Going concern policy

Where the total liabilities of the Group exceed current assets the Directors consider whether it is appropriate to prepare the accounts on a going concern basis. In making this assessment the Directors consider whether they expect the Group to have sufficient resources to meet its anticipated day to day working capital requirements for a period of at least 12 months and whether the Group has the support of its creditors. Where the Directors conclude that the Group has access to sufficient resources and support, the Directors will, subject to and in accordance with applicable laws, prepare the accounts on a going concern basis.

The World Health Organisation declared a pandemic relating to COVID-19 on 11 March 2020, with restrictions and other measures put in place by the UK, Scottish and Welsh Governments through much of 2020 and 2021. The fiscal and monetary stimulus during this period, bottlenecks in supply, shortages in the labour market and rising energy prices following Russia's invasion of Ukraine in February 2022 have been cited as contributory factors to consumer prices, as measured by the Consumer Prices Index, being 10.5 per cent higher in the UK in December 2022 than December 2021. The Office for Budget Responsibility has indicated that it expects the UK economy to shrink in 2023.

The Directors have assessed the impact of incorporating additional inflation and recession-related risk factors in the going concern assessment over a period of at least 12 months after the signing of these financial statements. Key assumptions considered by management when assessing going concern include adjusting managements reasonable estimate of forecasted performance for factors including the length and extent of potential recession and inflation and the resulting general economic environment. These have been estimated for their respective impacts on the Group's revenues, fixed and variable costs and resultant expected cash flow requirements.

The Group's forecasts and projections, taking into account a reasonable estimate of a possible downturn in trading performance arising from external economic factors, indicate that the Group has sufficient financial resources for the going concern period. The Directors therefore do not believe, at the time of approving these accounts, that inflation and the potential economic recession represents a material uncertainty about the Group's ability to continue as a going concern.

The Directors have also considered the potential impact on its business of the UK's exit from the EU which occurred in January 2020 and withdrawal from the EU Single Market which occurred in January 2021. The Directors do not believe that either of these events represent a material uncertainty about the Group's ability to continue as a going concern.

Accordingly, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

2. ACCOUNTING POLICIES - continued

EBITDA

The consolidated income statement records a figure for earnings before interest, tax, depreciation and amortisation (**EBITDA**). This has been calculated from operating profit (excluding the Group's share of income from associates) excluding interest, tax, depreciation, amortisation, revaluations of associates and reversals of provisions.

Revenue

Revenue represents the amounts derived from invoicing, exclusive of value added tax. The following classes of revenue will normally be recognised on the following basis:

Advertising and production	on transmission / delivery
Sponsorship & airtime supply	over time evenly over the life of the agreement
Comux & other invoices	over time in accordance with the terms of the agreement

The pricing of these services (which drives the revenue recognition) depends on the service level required by the client, and on the commercial imperatives and pricing sensitivities agreed.

The contractual performance obligations will typically be embedded in an agreement with the client.

Where that agreement is detailed, the revenue recognition will follow the allocation of fees and revenues against the completion of the agreed performance milestones in the accounting period.

Where the agreement is not specific, the revenue recognition will be in proportion to the completion of performance milestones in the relevant accounting period against the internal costings prepared in advance for each project.

The Group does not have any material obligations in respect of returns, refunds or credits to clients.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the profit and loss account when due.

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

2. ACCOUNTING POLICIES - continued

Intangible assets

The value of broadcast licences held are reviewed at least annually to assess the fair market value of each asset, excluding synergies with other Group assets.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Programming assets are recognised as intangible assets once they become available and licensed for transmission. Amortisation of programming assets reflects the underlying economics of the asset base which, unless otherwise determined, reflects the duration of the licence acquired. The Group reviews the carrying amounts of all of its programming assets at least annually to determine whether there is any indication that any of those assets have suffered an impairment loss.

Patents and licences are otherwise amortised evenly over their estimated useful lives, ranging from five to ten years.

Certain licences have an indefinite useful life and are tested for impairment.

Goodwill is tested for impairment where material.

Property, plant and equipment

Property, plant and equipment 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:

- Computer, office and broadcast equipment: 20% straight line
- Land and buildings are not depreciated where the residual value is estimated to exceed the cost as a result of being an appreciating asset. They are revalued based on valuations obtained from external chartered surveyors.

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 recognised in the income statement.

Investments in subsidiaries

Investments in subsidiary undertakings are initially recorded in the Company's balance sheet at cost less provision for impairment.

Investments in associates

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of profit or loss, other comprehensive income and equity of the associates. Distributions received from an associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be required as a consequence of changes to the associate's equity arising from items of other comprehensive income.

If there is an indication that an investment in an associate may be impaired, the Group tests the entire carrying amount of the investment for impairment as a single asset. Any goodwill included as part of the carrying amount of the investment in the associate is not tested separately for impairment.

Hire purchase and leasing commitments

Rentals paid under short term operating leases are charged to profit or loss on a straight line basis over the period of the lease.

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

2. ACCOUNTING POLICIES - continued

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Group uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Group. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

Cash and cash equivalents

Cash and cash equivalents 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. Any bank overdrafts are shown within borrowings in current liabilities.

Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

For trade receivables and other receivables due in less than 12 months, the Group applies the simplified approach in calculating Expected Credit Losses (ECL's), as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (*continued*)**

2. ACCOUNTING POLICIES - *continued*

Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans, excluding any financing transactions, are initially recognised at transaction price and are subsequently measured at amortised cost determined using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Company's and the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about, inter alia, the carrying amounts of assets and liabilities and income and expenses 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.

The estimates and underlying assumptions are reviewed on a regular basis. If, in the future, such estimates and assumptions deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Going concern

Following assessment, the Board considers that the Group remains a going concern. The going concern assumption is discussed further in note 2.

Useful lives of depreciable assets

The Board reviews the useful lives and residual value of depreciable assets at each reporting date to ensure that the useful lives represent a reasonable estimate of likely period of benefit to the Group. Property, plant and equipment assets are depreciated over their useful lives taking into account of residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Intangible assets

The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of its amortisation profile involve a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of these intangible assets.

THAT'S MEDIA LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****4. SEGMENT AND REVENUE ANALYSIS**

The accounting policy for identifying segments is based on the internal management reporting information that is reviewed by the Directors.

The Company generates revenue from the provision of media services and production. The financials for this segment can be seen in the financial statements in this document.

The Company derives revenue from the transfer of services over time to customers operating in the UK.

The Directors have reviewed the revenue from contracts with customers and have determined that there is no material distinction in how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors in both the current and prior year, and therefore revenue has not been disaggregated.

5. PROFIT/ (LOSS) BEFORE TAXATION

The profit / (loss) is stated after charging:

	31.12.21	31.12.20
	£	£
Depreciation - owned assets	121,517	119,122
Patents and licences amortisation	210,585	190,000
Auditors fees – audit services	9,000	9,000
Auditors fees – non-audit services	-	-
	<u>-</u>	<u>-</u>

6. EMPLOYEES AND DIRECTORS

There were £63,437 employment costs (2020: Nil). The average number of directors was 3 (2020: 3) and no remuneration was payable (2020: Nil).

7. FINANCE COSTS

The interest expense stated in the income statement relates to interest payable on loans.

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

8. TAXATION

	31.12.21	31.12.20
	£	£
<i>Current tax</i>		
UK corporation tax	19,922	-
<i>Deferred tax</i>		
Accelerated capital allowances	-	44,055
	<u>19,922</u>	<u>44,055</u>
Total tax charge	<u>19,922</u>	<u>44,055</u>

The reasons for the difference between the actual current tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	31.12.21	31.12.20
	£	£
Profit / (Loss) before tax	965,009	588,327
	<u>965,009</u>	<u>588,327</u>
Expected tax charges based on the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	183,352	111,782
Effects of:		
Expenses not deductible for tax purposes	-	-
Depreciation	23,088	22,633
Unrealised movements in associates	(150,100)	(148,829)
Other adjustments	120	14,414
Utilisation of tax losses	(12,643)	-
Capital allowances	(23,895)	-
	<u>19,922</u>	<u>-</u>
Total current tax charge	<u>19,922</u>	<u>-</u>

The standard rate of corporation tax in the UK is due to increase to 25% from 1 April 2023, affecting companies with profits of £250,000 and over. Small companies with profits up to £50,000 will continue to pay corporation tax at 19%, with profits between these two figures being subject to a tapered rate.

9. INDIVIDUAL INCOME STATEMENT

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not presented an Income Statement or a Statement of Comprehensive Income for the parent company. The Company's Profit/(Loss) for the year was 27,477 (2020: (£15,985)).

THAT'S MEDIA LIMITED

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 *(continued)*

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Licences & IP £	Totals £
Cost			
At 1 January 2021	462,477	1,483,750	1,946,227
Additions	-	152,535	152,535
At 31 December 2021	462,477	1,636,285	2,098,762
Amortisation			
At 1 January 2021	459,655	508,750	968,405
Amortisation	-	210,585	210,585
At 31 December 2021	459,655	719,335	1,178,990
Net book value			
At 31 December 2021	2,822	916,950	919,772
At 31 December 2020	2,822	975,000	977,822
Comparatives:			
Cost			
At 1 January 2020	462,477	1,483,750	1,946,227
Additions	-	-	-
At 31 December 2020	462,477	1,483,750	1,946,227
Amortisation			
At 1 January 2020	459,655	318,750	778,405
Amortisation	-	190,000	190,000
At 31 December 2020	459,655	508,750	968,405
Net book value			
At 31 December 2020	2,822	975,000	977,822
At 31 December 2019	2,822	1,165,000	1,167,822

The Licences & IP relate to separately identifiable intangibles, mainly acquired during business combinations. The Directors have assessed that the licences with a cost of £500,000 do not require depreciation to be applied. Licences & IP acquired in 2018 with a cost of £950,000 have a 5 year life. Licences & IP acquired in 2021 with a cost of £152,535 are amortised over the applicable licence period.

THAT'S MEDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 *(continued)*

11. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2021	205,000	691,323	896,323
Additions	-	125,763	125,763
Gain on Revaluation	-	-	-
At 31 December 2021	<u>205,000</u>	<u>817,086</u>	<u>1,022,086</u>
Depreciation			
At 1 January 2021	-	459,456	459,456
Charge for year	-	121,517	121,517
Change in estimated useful economic lives	-	-	-
At 31 December 2021	<u>-</u>	<u>580,973</u>	<u>580,973</u>
Net book value			
At 31 December 2021	<u>205,000</u>	<u>236,113</u>	<u>441,113</u>
At 31 December 2020	<u>205,000</u>	<u>231,867</u>	<u>436,867</u>
Comparatives			
Cost			
At 1 January 2020	150,000	599,447	749,447
Additions	-	91,876	91,876
Gain on Revaluation	<u>55,000</u>	-	<u>55,000</u>
At 31 December 2020	<u>205,500</u>	<u>691,323</u>	<u>896,323</u>
Depreciation			
At 1 January 2020	-	340,334	340,334
Charge for year	-	119,122	119,122
Change in estimated useful economic lives	-	-	-
At 31 December 2020	<u>-</u>	<u>459,456</u>	<u>459,456</u>
Net book value			
At 31 December 2020	<u>205,000</u>	<u>231,867</u>	<u>436,867</u>
At 31 December 2019	<u>150,000</u>	<u>259,113</u>	<u>409,113</u>

THAT'S MEDIA LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)****12. FIXED ASSET INVESTMENTS IN SUBSIDIARIES**

Company	31.12.21	31.12.20
	£	£
Cost and carrying amount		
At 1 January	504,529	504,529
Additions	-	-
	<hr/>	<hr/>
At 31 December	504,529	504,529
	<hr/>	<hr/>

Subsidiary Undertakings

The Company was the ultimate parent company for the following companies at the balance sheet date:

Name	Country of incorporation	Shares class	Beneficial Holding
That's Lifestyle Limited	England & Wales	Ordinary	100%
That's Television Limited	England & Wales	NA - limited by guarantee	100%
That's Media Group Limited	England & Wales	Ordinary	100%
That's Entertainment Group Limited	England & Wales	Ordinary	100%
YourTV Manchester Limited	England & Wales	Ordinary	90%
YourTV Preston Limited	England & Wales	Ordinary	90%
That's Entertainment TV Limited	Scotland	Ordinary	100%
Local TV News Limited	Scotland	Ordinary	100%
Local Television Dundee Limited	Scotland	Ordinary	100%
Local Television Limited	England & Wales	Ordinary	100%
That's TV Broadcasting Limited	England & Wales	Ordinary	100%
That's TV Network Limited	England & Wales	Ordinary	100%

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

12. FIXED ASSET INVESTMENTS IN SUBSIDIARIES – continued

All undertakings are domiciled in the UK and are registered at the Company's registered office address, other than the companies registered in Scotland which are registered at Suite 2-2, 12 Renfield Street, Glasgow G2 5AL.

Certain Group companies are also members of Local Television Network Limited (LTVN). LTVN is a company limited by guarantee registered in England and Wales at 15 Paternoster Row, Sheffield S1 2BX and acts as a forum and representative body for local TV operators. In 2021 the Group agreed to fund certain exceptional costs on behalf of LTVN.

The principal activities for the subsidiary undertakings was that of broadcasting, apart from:

That's Lifestyle Limited and Local Television Limited – Office facilities

That's Media Group Limited – Management services

That's Entertainment Group Limited – Holding company

13. FIXED ASSET INVESTMENTS IN ASSOCIATES

Group

	31.12.21	31.12.20
	£	£
Cost and carrying amount		
At 1 January	1,115,049	331,739
Movement in the year	790,000	783,310
	<u>1,905,049</u>	<u>1,115,049</u>
At 31 December 2021	<u>1,905,049</u>	<u>1,115,049</u>

Associates

As at 31 December 2021, the Group owned approximately 59% of the issued share capital of Comux (20 ordinary shares) (2020: 20 ordinary shares). Due to certain restrictions in the voting rights of the shares held, the Group has accounted for its investment as an investment in an associate. Comux is registered in England and Wales at Innovation Birmingham Campus, Faraday Wharf, Holt Street, Birmingham B7 4BB.

Movement in the year comprises the Group's share of profit or loss, distributions received and movements in share of net assets.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	171,599	35,354	-	-
Taxation and social security	-	-	-	-
Amounts owed by Group undertakings	-	-	1,768,295	737,800
Prepayments and accrued income	178,839	-	-	-
Other debtors	<u>30,630</u>	<u>630</u>	<u>-</u>	<u>-</u>
	<u>381,068</u>	<u>35,984</u>	<u>1,768,295</u>	<u>737,800</u>

THAT'S MEDIA LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Cash at bank and in hand	1,024,715	518,425	5,159	5,740
	<u>1,024,715</u>	<u>518,425</u>	<u>5,159</u>	<u>5,740</u>

16. TRADE AND OTHER PAYABLES: CURRENT LIABILITIES

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Non-bank loan	-	800,000	-	-
Accruals and deferred income	540,775	234,784	9,000	8,000
Trade payables	226,889	52,565	-	-
Deferred tax	44,054	44,054	-	-
Taxation and social security	87,354	120,707	2,037	600
Other payables	<u>39,297</u>	<u>43,776</u>	<u>-</u>	<u>-</u>
	<u>938,369</u>	<u>1,295,886</u>	<u>11,037</u>	<u>8,600</u>

The deferred tax liability relates to accelerated capital allowances, there was no deferred tax charge recognised during the year.

17. PAYABLES: NON-CURRENT LIABILITIES

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Non-bank loan/ revolving credit facility	1,000,000	-	1,000,000	-
Other payables	<u>436,000</u>	<u>436,000</u>	<u>-</u>	<u>-</u>
	<u>1,436,000</u>	<u>436,000</u>	<u>1,000,000</u>	<u>-</u>

The non-bank loan was due for repayment in October 2020 but was subsequently extended to June 2021. It was secured by way of a fixed and floating charge over the assets of the Company and its fellow Group undertakings and by way of personal guarantees from the Directors. The non-bank loan was repaid in 2021 and a new revolving credit facility obtained with a final repayment date in 2024. It is secured by way of a fixed and floating charge over the assets of the Company and its fellow Group undertakings, who are providing guarantees.

18. SHARE CAPITAL AND RESERVES

Company	Allotted, called up and fully paid			
	2021	2021	2020	2020
	Number	£	Number	£
Ordinary shares of £0.01 each	7,394,120	73,941	7,394,120	73,941

THAT'S MEDIA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

18. SHARE CAPITAL AND RESERVES – continued

During the year the Company did not issue any shares.

Share capital

Share capital is the amount subscribed for shares at nominal value.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Retained earnings

Retained earnings represents cumulative net gain and losses recognised in profit or loss account.

Share premium

Share premium represents the amounts subscribed for share capital in excess of nominal value.

Revaluation reserve

This represents the cumulative revaluation gains and losses recognized in respect of property, plant and equipment.

19. CONTROLLING PARTY

The director, D Cass, controls the Group and Company by virtue of his majority shareholding.

20. FINANCIAL & CAPITAL RISK MANAGEMENT

a) Capital risk

The Group monitors its level of capital which comprises all components of equity.

The Group's objective when maintaining capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group is not subject to any externally imposed capital requirements as at 31 December 2021.

b) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Management monitors the Group's liquidity reserve, comprising cash and cash equivalents on the basis of expected cash flows.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

THAT'S MEDIA LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

20. FINANCIAL & CAPITAL RISK MANAGEMENT – continued

a) Liquidity risk (continued)

Group	On demand or less than 1 year £	Between 1 - 5 years £
As at 31 December 2020		
Trade and other payables	495,886	436,000
Loan and borrowings	<u>800,000</u>	<u>-</u>
	<u>1,295,886</u>	<u>436,000</u>
As at 31 December 2021		
Trade and other payables	938,369	436,000
Loan and borrowings	<u>-</u>	<u>1,000,000</u>
	<u>938,369</u>	<u>1,436,000</u>

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The carrying amounts of trade and other receivables and cash and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instruments presented on the balance sheet.

Cash and bank balances, including fixed deposits, are placed with reputable financial institutions.

c) Interest rate risk

The Group obtains additional financing from time-to-time through bank or other borrowings (interest bearing). The Group's general aim to obtain the most favourable interest rates available. The Group constantly monitors its interest rate risk and does not utilise interest rate swap or other arrangements for trading or speculative purposes. As at 31 December 2021, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

Summary quantitative data of the Group's interest-bearing financial instruments can be found in part (a) of this note.

The Group is not exposed to the significant interest rate risks which are usually associated with floating rates as it has fixed rates of interest bearing liabilities at the period end. However, the bank borrowings are for a limited term and the fixed rates are subject to repricing upon refinancing or renewal.

The other financial instruments of the Group are not subject to interest rate risks.

THAT'S MEDIA LIMITED

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

21. FINANCIAL INSTRUMENTS

	Classification under IFRS 9	Carrying amount as at 31 December 2021 £	Carrying amount as at 31 December 2020 £
Financial assets			
Trade receivables	Amortised cost	171,599	35,354
Other receivables	Amortised cost	30,630	630
Cash and cash equivalents	Amortised cost	<u>1,024,715</u>	<u>518,425</u>
		<u>1,226,944</u>	<u>554,409</u>
Financial liabilities			
Borrowings	Amortised cost	1,000,000	800,000
Trade payables	Amortised cost	226,889	52,565
Other payables	Amortised cost	<u>459,776</u>	<u>479,776</u>
		<u>1,686,665</u>	<u>1,332,341</u>

Fair value hierarchy

All the financial assets and financial liabilities recognised in the financial statements are shown at the carrying value which also approximates the fair values of those financial instruments. Therefore, no separate disclosure for fair value hierarchy is required.

22. RELATED PARTY TRANSACTIONS

Directors

Included in other payables within non-current liabilities is a balance of £430,00 (2020: £430,000) due to the Directors in respect of interest free loans.

Companies controlled by the directors

During the year the Group paid a total of £215,604 for services provided by related companies of directors (2020: £48,333). The fees are included in administrative expenses within the consolidated income statements. At 31 December 2021 the balance due to the related companies was £48,000 (2020: Nil).

Intra-Group

Certain Group companies apply management charges to certain other Group companies. Outstanding intra-Group loans are unsecured. Intra-Group transactions are eliminated in the consolidated accounts.

Comux UK Ltd (Comux)

The Group is required to operate its services in accordance with the licensing framework in place for local TV. The Group is entitled to receive DTT transmission services from Comux and to be charged for these services at no more than net operating cost, as defined in statute. Comux uses the available capacity on its DTT multiplex, alongside that required to be used to deliver local TV, to provide national video stream carriage to commercial channels seeking Freeview carriage. The Group is entitled to receive certain payments duly made by Comux in accordance with its articles of association and applicable laws. The Board therefore considers that these transactions reflect the market conditions in which the local TV sector operates.

THAT'S MEDIA LIMITED

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

23. GOING CONCERN

The consolidated balance sheet at 31 December 2021 shows net assets of £2,297,348 (2020: £1,352,261).

The Directors believe that the Group as currently constituted will have sufficient liquid resources to meet its day to day working capital requirements at least until 28 February 2024.

The Directors also believe that the Group has the support of its creditors. It is particularly noted that related party creditors who have provided unsecured loans and are owed expenses in the total value of £478,000 have indicated that they will not seek repayment of these loans or expenses before 28 February 2024 unless the Group has sufficient liquid resources.

In accordance with the Group's going concern policy, and after making appropriate inquiries, the Directors have concluded that it is appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would arise if the going concern basis of preparation were to become no longer appropriate.

24. POST BALANCE SHEET EVENTS

After the year-end the Group undertook a modest share issue, totaling 69,167 new ordinary shares, a number of which were issued as part of the Government's enterprise investment scheme.

Other post-balance sheet events are referred to in the Chairman's Statement.