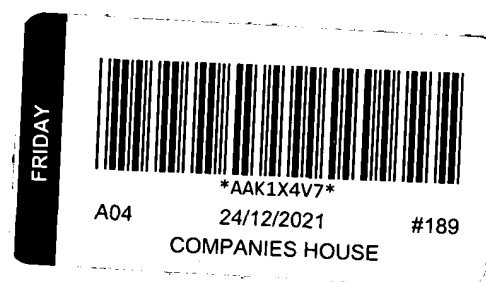


Registered Number: 09489484

# **THAT'S MEDIA LIMITED**

## **ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**



**THAT'S MEDIA LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**THAT'S MEDIA LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**DIRECTORS:**

Edward Douglas Simons  
Daniel Cass  
Kent Leslie Walwin

**SECRETARY:**

Susan Phillips

**REGISTERED AND GROUP  
OFFICE:**

27 Modwen Road  
Waters Edge Business Park  
Salford  
Greater Manchester  
M5 3EZ

**REGISTERED NUMBER:**

09489484 (England and Wales)

**INDEPENDENT AUDITORS:**

MAH, Chartered Accountants  
154 Bishopsgate  
London  
EC2M 4LN

**THAT'S MEDIA LIMITED**  
**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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***Highlights***

- Protection of core business during pandemic
- Consolidated EBITDA of £309,508
- Post-balance sheet new credit facility

***Summary review***

This statement (**Chairman's Statement**) is intended as an overview of matters pertaining to That's Media Limited (the **Company**) consolidated with its subsidiary undertakings (**That's Media** or the **Group**) as a whole. It is not intended as a comprehensive review of the Group's activities during or after the reporting period or all future plans or risks.

The Group seeks to build a profitable media and entertainment business based in the United Kingdom of Great Britain and Northern Ireland (**UK**) which frequently reflects the tastes and interests of many people who often feel neglected by other broadcast media.

The Group's operations remained profitable despite the challenges of the pandemic. The Group's earnings before interest, tax, depreciation and amortisation (**EBITDA**), excluding share of operating profit of associated undertakings, was £309,508 (2019: £868,378) as set out in the consolidated income statement, demonstrating That's Media's protection of its core business at this time.

***Introduction***

2020 was a challenging year for all of us. Out of this darkness has come much compassion, community support and resilience.

The Group instigated and updated health and safety risk assessments during the pandemic, changing working methods to ensure essential work continued in accordance with governmental guidance. The actions taken have enabled the Group to protect its business and deliver its core services during the pandemic.

***Local news delivery***

The Group holds 20 local digital television programme (**local TV**) public service channel licenses issued by the Office of Communications (**Ofcom**). Each service broadcasts the Group's commercially-funded network entertainment schedule and local news. The services target people living in the towns and cities of the UK where they broadcast on digital terrestrial television (**DTT** or **Freeview**). This often includes many smaller towns which the Directors believe to be underserved by other broadcast news services.

I would like to pay particular tribute to our dedicated journalists who have provided essential information and a voice for local communities at a time of national emergency. In television news, we have all seen how using remote video technology has enabled fast-reaction to changing events. The Directors are confident that many of the Group's newly-adopted production methods will be maintained.

The Board believes that the vast majority of the Group's local TV services, a number of which were acquired from stand-alone operators, would not have managed to survive even in normal times outside of a commercial network infrastructure. The Directors are proud to have been able to develop a viable commercial business model which delivers news bulletins in many towns and cities which would otherwise today receive little or no substantive local broadcast news on either television or radio.

***Network entertainment***

Despite the challenges of 2020, the Group remained committed to its promise to bring together all of its local TV services within a network-wide entertainment schedule measured by the Broadcaster's Audience Research Board Limited (**BARB**).

Programming has focused substantially on music and memories from the 1960s to 1990s. Whilst unimaginable circumstances have been unfolding, the Group has sought to enable viewers to revisit a time when things were not so unpredictable.

The Group's network entertainment schedule is measured in BARB's television audience ratings as That's TV Network. Ratings during the year surpassed the Board's initial expectations and demonstrate the benefit of a prominent position on Freeview to maximise impacts for a developing UK television network.

**THAT'S MEDIA LIMITED**  
**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

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***Connected companies***

Comux UK Ltd (**Comux**) is the DTT multiplex operator which is licensed by Ofcom to carry local TV and provide support to the sector. The Group holds 20 of the 34 shares in Comux (one for each local TV licence granted). Comux's articles of association do not permit any single shareholder to control the company. The Group equity accounts for Comux in its consolidated accounts.

During the year the Group acquired the entire issued share capital of certain companies connected to directors of the Company in order to integrate their assets. The Directors waived any consideration to which they would have been entitled.

***Post-balance sheet***

After the year-end the Group repaid its existing non-bank loan and secured a new credit facility from LendNet LLP.

The Group subsequently entered into agreements to expand its coverage by launching a UK-wide version of its entertainment network on Sky channel 187 and Freesat channel 178 and on the temporary Freeview HD multiplex covering the majority of UK homes known as COM7 (Freeview channel 91). The Group continues to explore opportunities to pilot new delivery platforms and its UK-wide channel also became available on many internet-connected TV sets via the Vision TV portal (Freeview channel 264).

In April 2021, Comux declared a dividend of £12,015 per share resulting in a payment of £240,300 to the Group. In summer 2021, the Group appointed Axiom Media Limited (**Axiom**), an experienced sales house, to represent it to for television advertising sales. Other channels currently represented by Axiom include Smithsonian Channel and PBS America.

During the pandemic the offices owned by the Group in Salford and Glasgow became the main studio hubs for the recording of news programming. In Autumn 2021 the Group secured Ofcom's consent for this arrangement to continue permanently subject to maintaining local journalism.

The Group rebranded all of its Ofcom-licensed services to That's TV Christmas for the 2021 Christmas season. As part of its new schedule, the Group entered into licensing agreements for additional classic programming including (after many years off screen) The Benny Hill Show and Beadle's About, resulting in national press for the Group. Other entertainment programmes featured stars of the 1970s and 1980s including Kenny Everett, Frankie Howerd and Mike Yarwood.

At a time of ongoing national emergency the Directors continue to focus on the Group's responsibility to its staff and the wider community. The Group has been accredited by the Living Wage Foundation as a Real Living Wage employer and has adopted a new Environmental, Social and Governance statement which is included in this report.

***Outlook***

The national television advertising market returned to robust form in 2021 and the Directors believe there is potential for the Group to grow its market share. The Board is pleased that the Group is now of the size and scale where it is able to access capital to invest in its development. The Board's ambition is to be at the forefront of developing a substantial commercially-funded broadcasting business targeting audiences who may feel under-served by many other mainstream television services.

The Board intends to review potential growth opportunities and believes that the Group is well positioned to exploit opportunities as they arise.

***Thank you***

Once again I express gratitude, on behalf of the whole Board, to the Group's shareholders, viewers, contributors, clients, suppliers and colleagues for their continued support for the Company and its core objectives. The Board is heartened by the ongoing messages of support, not least the streams of messages regularly received from viewers expressing their gratitude for the Group's programming.

DocuSigned by:

**Edward Simons**

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E D Simons – Chairman

**THAT'S MEDIA LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 2020. 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.

**LICENCES**

At the balance sheet date the Group held 20 of the 34 local TV licences issued by Ofcom (2019: 20), all broadcasting on Freeview channel 7 or 8 (dependent on location). These were referred to by Ofcom for licensing purposes as the local TV licences for Aberdeen, Ayr, Basingstoke, Cambridge, Carlisle, Dundee, Edinburgh, Glasgow, Grimsby, Guildford, Manchester, Norwich, Oxford, Preston, Reading, Salisbury, Scarborough Southampton, Swansea and York.

**KEY PERFORMANCE INDICATOR'S (KPIs)**

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

**FINANCIAL INSTRUMENTS, RISKS AND UNCERTAINTIES**

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.

The Group's operations, business and profitability may be affected by a number of factors including (without limitation) factors beyond its direct control such as economic conditions, terrorism, pandemic and governmental and regulatory policy.

The Directors consider that a principal risk that the Company faces 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 funding requirements.

**THAT'S MEDIA LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 *(continued)***

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**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 (2019: nil).

**POLITICAL OR CHARITABLE DONATIONS**

There were no disclosable political or charitable donations or activities during the year (2019: nil).

**DIRECTORS**

The Directors shown below have held office during the whole of the period from 1 January 2020 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**

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 statement which is included on pages 8 to 10.

**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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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.

**THAT'S MEDIA LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES – continued**

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.

**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  
22 December 2021

DocuSigned by:  
**Kent Walwin**  
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.....  
K Walwin - Director  
22 December 2021



## THAT'S MEDIA LIMITED

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT

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#### 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 dynamic commercially-sustainable business. In particular, the Group aims to serve the tastes and interests of people in many towns and cities of the United Kingdom of Great Britain and Northern Ireland (**UK**) who may often feel neglected by other established television networks.

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 UK by 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, with a particular focus on nostalgic programming, to 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 will 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 as a Living Wage Employer. 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 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 employee recognition programme, the Group runs a 'Journalist of the Week' award recognising outstanding local news delivery by Team Members.

## THAT'S MEDIA LIMITED

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT *(continued)*

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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 working class or less privileged families or backgrounds, and will consider means of contributing to forums with other media service providers who share this aim.

#### 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 Data Protection Legislation.<sup>1</sup>

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 reduce its environmental impact.

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. **Integrity**

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. Officers and representatives of the Group are expected to act with honesty and 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.

<sup>1</sup> "Data Protection Legislation" means (1) unless and until General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR) is no longer directly applicable in the UK, the GDPR and any national implementing laws, regulations, and secondary legislation (as amended from time to time) in the UK and subsequently (2) any legislation which succeeds the GDPR.

## THAT'S MEDIA LIMITED

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT *(continued)*

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#### 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 openness and transparency, the Company voluntarily submits its statutory accounts to independent audit review and publishes full accounts.

The Group maintains procedures in order to comply 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 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 nostalgic entertainment and targeted local news. The Group provides mechanisms for viewer contribution and feedback, including via its website at [www.thats.tv](http://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 22 December 2021 and is signed on its behalf by:

DocuSigned by:

**Edward Simons**

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E D Simons - Director

22 December 2021

## THAT'S MEDIA LIMITED

### MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

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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 2020.

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, ethics 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 2020 (2019: Nil).

This statement was approved by the Board of Directors on 22 December 2021 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**

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### **Opinion**

We have audited the financial statements of That's Media Limited for the period ended 31 December 2020 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 2020 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)**

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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: 22 December 2021

**THAT'S MEDIA LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
<b>TURNOVER</b>	<b>4</b>	1,098,637	1,708,392
Other operating income		394,740	885,669
Administrative expenses		(1,492,992)	(1,799,134)
Operating profit/(loss)	<b>5</b>	385	794,927
Share of operating profits of associates less amounts receivable		783,310	29,037
Value adjustments on fixed asset investments		-	-
Interest receivable and similar income		354	814
Interest payable and similar expenses	<b>7</b>	(151,667)	(240,000)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		632,382	584,778
Tax on Profit/(loss)	<b>8</b>	(44,055)	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		588,327	584,778
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		588,327	584,778
Profit/(Loss) attributable to:			
Owners of the parent		584,702	632,230
Non-controlling interests		3,625	(47,452)
		588,327	584,778
<b>EBITDA</b>		309,508	868,378

All amounts relate to continuing operations.

The accompanying notes on pages 20 to 37 form an integral part of these financial statements.



**THAT'S MEDIA LIMITED (REGISTERED NUMBER: 09489484)**  
**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2020**

	Notes	Group 31.12.20 £	Group 31.12.19 £	Company 31.12.20 £	Company 31.12.19 £
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	10	977,822	1,167,822	-	-
Property, Plant & Equipment	11	436,867	409,113	-	-
Investments	12,13	1,115,049	331,739	504,529	504,529
		<u>2,529,738</u>	<u>1,908,674</u>	<u>-</u>	<u>504,529</u>
<b>CURRENT ASSETS</b>					
Trade and other receivables	14	35,984	34,140	737,800	766,431
Cash and cash equivalents	15	518,425	365,254	5,740	4,990
		<u>554,409</u>	<u>399,394</u>	<u>743,540</u>	<u>771,421</u>
<b>TOTAL ASSETS</b>		<u>3,084,147</u>	<u>2,308,068</u>	<u>1,248,069</u>	<u>1,275,950</u>
<b>EQUITY</b>					
Shareholders' Equity					
Called up share capital	18	73,941	72,888	73,941	72,888
Share premium		943,404	924,257	943,404	924,257
Non-Controlling Interests		(130,534)	(134,159)	-	-
Revaluation Surplus		55,000	-	-	-
Retained earnings / (accumulated deficit)		410,450	(174,252)	222,124	238,109
		<u>1,352,261</u>	<u>688,734</u>	<u>1,239,469</u>	<u>1,235,254</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	16	495,886	383,334	8,600	40,696
Borrowings	16	800,000	800,000	-	-
		<u>1,295,886</u>	<u>1,183,334</u>	<u>8,600</u>	<u>40,696</u>
<b>NON-CURRENT LIABILITIES</b>					
Other payables	17	436,000	436,000	-	-
		<u>436,000</u>	<u>436,000</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>1,731,886</u>	<u>1,619,334</u>	<u>8,600</u>	<u>40,696</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,084,147</u>	<u>2,308,068</u>	<u>1,248,069</u>	<u>1,275,950</u>

**THAT'S MEDIA LIMITED (REGISTERED NUMBER: 09489484)**  
**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2020 *(continued)***

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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 22 December 2021 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 20 to 37 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 2020**

<b>Group</b>	<b>Called up share capital £</b>	<b>Share premium £</b>	<b>Non- Controlling interests £</b>	<b>Revaluation Surplus</b>	<b>Accumulated deficit £</b>	<b>Total equity £</b>
Balance at 31 December 2018	72,506	815,255	(86,707)	-	(806,482)	(5,428)
Issue of shares during the period	382	109,002	-	-	-	109,384
Profit for the period	-	-	(47,452)	-	632,230	584,778
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

<b>Company</b>	<b>Called up share capital £</b>	<b>Share premium £</b>			<b>Accumulated deficit £</b>	<b>Total equity £</b>
Balance at 31 December 2018	72,506	815,255			(880)	886,881
Issue of shares during the period	382	109,002			-	109,384
Profit for the period	-	-			238,989	238,989
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
Profit for the period	-	-			(15,985)	(15,985)
Balance at 31 December 2020	73,941	943,404			222,124	1,239,469

The accompanying notes on pages 20 to 37 form an integral part of these financial statements.

**THAT'S MEDIA LIMITED**

**CONSOLIDATED AND COMPANY CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Cash flows from operating activities</b>				
Operating (loss)/profit	783,695	794,926	(15,985)	238,989
(Increase)/decrease in trade and other receivables	(1,844)	51,151	28,631	(318,199)
(Decrease)/increase in trade and other payables	68,497	(640,817)	(32,096)	(30,920)
Depreciation	119,122	(116,549)	-	-
Amortisation	190,000	190,353	-	-
Other income	-	(130,000)	-	-
Adjustments relating to associates	(783,310)	29,037	-	-
	<u>376,160</u>	<u>178,101</u>	<u>(19,450)</u>	<u>(110,130)</u>
Cash inflow/(outflow) from operations				
Interest paid	(151,667)	(240,000)	-	-
Interest received	354	814	-	-
	<u>(151,313)</u>	<u>(61,085)</u>	<u>(19,450)</u>	<u>(110,130)</u>
<b>Net cash (outflow)/inflow from operating activities</b>				
	<u>(151,313)</u>	<u>(61,085)</u>	<u>(19,450)</u>	<u>(110,130)</u>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(91,876)	(142,564)	-	-
Net investment in subsidiaries	-	-	-	-
	<u>(91,876)</u>	<u>(142,564)</u>	<u>-</u>	<u>-</u>
<b>Net cash outflow from financing activities</b>				
	<u>(91,876)</u>	<u>(142,564)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>				
Repayment of property bank loan	-	(67,723)	-	-
Proceeds non-bank loans	-	-	-	-
Proceeds from issues of shares	20,200	109,500	20,200	109,500
	<u>20,200</u>	<u>41,777</u>	<u>20,200</u>	<u>109,500</u>
<b>Net cash inflow from financing activities</b>				
	<u>20,200</u>	<u>41,777</u>	<u>20,200</u>	<u>109,500</u>
<b>Increase/(decrease) in cash and equivalents</b>	153,171	(161,872)	750	(630)
Cash and cash equivalents at the start of the year	365,254	527,126	4,990	5,620
	<u>518,425</u>	<u>365,254</u>	<u>5,740</u>	<u>4,990</u>
Cash and cash equivalents at the end of the year				
	<u>518,425</u>	<u>365,254</u>	<u>5,740</u>	<u>4,990</u>

The accompanying notes on pages 20 to 37 form an integral part of these financial statements.

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. GENERAL INFORMATION**

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

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

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 2020. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

**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 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 (periods beginning)	EU Endorsement status	Mandatory effective date
IFRS 17 "Insurance Contracts"	Endorsed	1 January 2021

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 2020 *(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 31st 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 2020 (continued)**

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**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. In December 2021 the UK Government announced further public health measures intended to tackle the COVID-19 Omicron variant, including encouraging all adults to take a booster vaccine.

The Directors have assessed the impact of incorporating additional COVID-19 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 best estimate of forecasted performance for factors including the length and extent of current and potential future restrictions and the resulting general business 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 the ongoing pandemic, 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 the COVID-19 pandemic 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 European Union (**Brexit**). The Directors do not believe that Brexit represents 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 2020 *(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.

##### **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.



**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

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**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 2020 *(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 2020 (*continued*)**

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**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 2020 (continued)****4. SEGMENT AND REVENUE ANALYSIS**

The accounting policy for identifying segments is based on the internal management reporting information that is regularly 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:

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	119,122	119,420
Depreciation – change in estimated useful economic life	-	(235,969)
Patents and licences amortisation	190,000	190,000
Auditors fees – audit services	9,000	10,000
Auditors fees – non-audit services	<u>-</u>	<u>-</u>

**6. DIRECTORS**

The average number of directors was 3 (2019: 3) and no remuneration was payable (2019: Nil).

**7. FINANCE COSTS**

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

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**8. TAXATION**

	31.12.20 £	31.12.19 £
<i>Current tax</i>		
UK corporation tax	-	-
<i>Deferred tax</i>		
Accelerated capital allowances	44,055	-
	<u>44,055</u>	<u>-</u>
Total tax charge	<u>44,055</u>	<u>-</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:

	31.12.20 £	31.12.19 £
Profit / (Loss) before tax	588,327	584,776
	<u>588,327</u>	<u>584,776</u>
Expected tax charges based on the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	111,782	111,107
Effects of:		
Expenses not deductible for tax purposes	-	8,850
Depreciation	22,633	(22,144)
Unrealised movements in associates	(148,829)	(5,517)
Other adjustments	14,414	-
Utilisation of tax losses	-	(92,296)
	<u>-</u>	<u>-</u>
Total current tax charge	<u>-</u>	<u>-</u>

**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 (£15,985) (2019: £238,989).

## THAT'S MEDIA LIMITED

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

## 10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Licences & IP £	Totals
<b>Cost</b>			
At 1 January 2020	462,477	1,483,750	1,946,227
Additions	-	-	-
	<u>462,477</u>	<u>1,483,750</u>	<u>1,946,227</u>
At 31 December 2020	<u>462,477</u>	<u>1,483,750</u>	<u>1,946,227</u>
<b>Amortisation</b>			
At 1 January 2020	459,655	318,750	778,405
Amortisation	-	190,000	190,000
	<u>459,655</u>	<u>508,750</u>	<u>968,405</u>
At 31 December 2020	<u>459,655</u>	<u>508,750</u>	<u>968,405</u>
<b>Net book value</b>			
At 31 December 2020	<u>2,822</u>	<u>975,000</u>	<u>977,822</u>
At 31 December 2019	2,822	1,165,000	1,167,822
<b>Comparatives:</b>			
<b>Cost</b>			
At 1 January 2019	462,477	1,483,750	1,946,227
Additions	-	-	-
	<u>462,477</u>	<u>1,483,750</u>	<u>1,946,227</u>
At 31 December 2019	<u>462,477</u>	<u>1,483,750</u>	<u>1,946,227</u>
<b>Amortisation</b>			
At 1 January 2019	459,655	128,750	588,405
Amortisation	-	190,000	190,000
	<u>459,655</u>	<u>318,750</u>	<u>778,405</u>
At 31 December 2019	<u>459,655</u>	<u>318,750</u>	<u>778,405</u>
<b>Net book value</b>			
At 31 December 2019	<u>2,822</u>	<u>1,165,000</u>	<u>1,167,822</u>
At 31 December 2020	2,822	1,355,000	1,357,822

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.

**THAT'S MEDIA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**11. PROPERTY, PLANT AND EQUIPMENT**

<b>Group</b>	<b>Land and buildings £</b>	<b>Plant and machinery etc £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2020	150,000	599,447	749,447
Additions	-	91,876	91,876
Gain on Revaluation	<u>55,000</u>	<u>-</u>	<u>55,000</u>
At 31 December 2020	<u>205,500</u>	<u>691,323</u>	<u>896,323</u>
<b>Depreciation</b>			
At 1 January 2020	-	340,334	340,334
Charge for year	-	119,122	119,122
Change in estimated useful economic lives	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>459,456</u>	<u>459,456</u>
<b>Net book value</b>			
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>
<b>Comparatives</b>			
<b>Cost</b>			
At 1 January 2019	150,000	456,883	606,883
Additions	-	142,564	142,564
Gain on Revaluation	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>150,000</u>	<u>599,447</u>	<u>749,447</u>
<b>Depreciation</b>			
At 1 January 2019	-	456,883	456,883
Charge for year	-	119,420	119,420
Change in estimated useful economic lives	<u>-</u>	<u>(235,969)</u>	<u>(235,969)</u>
At 31 December 2019	<u>-</u>	<u>340,334</u>	<u>340,334</u>
<b>Net book value</b>			
At 31 December 2019	<u>150,000</u>	<u>259,113</u>	<u>409,113</u>
At 31 December 2018	<u>150,000</u>	<u>-</u>	<u>150,000</u>

Land and buildings are made up by £30,000 of freehold (or equivalent) office premises (2019: £30,000) and £175,000 of long leasehold office premises (2019: £120,000). The change results from a revaluation by a chartered surveyor.

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**12. FIXED ASSET INVESTMENTS IN SUBSIDIARIES**

**Company**

	31.12.20 £	31.12.19 £
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	Voluntary strike-off in 2021
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%	
That's Surrey Limited	England & Wales	Ordinary	100%	Yes
That's Salisbury Limited	England & Wales	Ordinary	100%	Yes
That's Solent Limited	England & Wales	Ordinary	100%	Yes
That's Oxford Limited	England & Wales	Ordinary	100%	Yes
That's Hampshire Limited	England & Wales	Ordinary	100%	Yes
That's Carlisle Limited	England & Wales	Ordinary	100%	Yes
That's Berkshire Limited	England & Wales	Ordinary	100%	Yes
YourTV Manchester Limited	England & Wales	Ordinary	90%	
YourTV Preston Limited	England & Wales	Ordinary	90%	
That's Productions Limited	England & Wales	Ordinary	100%	Yes
Cambridge Presents Limited	England & Wales	Ordinary	100%	Yes
Bay TV Swansea Limited	Wales	Ordinary	100%	Yes
That's TV Network Limited	England & Wales	Ordinary	100%	
That's TV News Limited	England	Ordinary	100%	Yes
Local Television Ayr Limited	Scotland	Ordinary	100%	Yes
Local Television Aberdeen Limited	Scotland	Ordinary	100%	Yes
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 MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (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 each of the companies registered in Scotland which are registered at Suite 2-2, 12 Renfield Street, Glasgow G2 5AL. Bay TV Swansea Limited was dissolved in 2021 and was registered at Langdon House, Langdon Road, Swansea SA1 8QY.

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 2020 the Group agreed to fund certain 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**

	31.12.20	31.12.19
	£	£
Cost and carrying amount		
At 1 January	331,739	302,702
Movement in the year	783,310	29,037
	<u>1,115,049</u>	<u>331,739</u>
At 31 December 2020	<u>1,115,049</u>	<u>331,739</u>

**Associates**

As at 31 December 2020, the Group owned approximately 59% of the issued share capital of Comux (20 ordinary shares) (2019: 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**

	<b>Group</b>		<b>Company</b>	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	35,354	1,824	-	-
Taxation and social security	-	-	-	-
Amounts owed by Group undertakings	-	-	737,800	766,431
Other debtors	<u>630</u>	<u>32,316</u>	<u>-</u>	<u>-</u>
	<u>35,984</u>	<u>34,140</u>	<u>737,800</u>	<u>766,431</u>

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**15. CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Company</b>	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Cash at bank and in hand	<u>518,425</u>	<u>365,254</u>	<u>5,740</u>	<u>4,990</u>
	<u>518,425</u>	<u>365,254</u>	<u>5,740</u>	<u>4,990</u>

**16. TRADE AND OTHER PAYABLES: CURRENT LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Non-bank loan	800,000	800,000	-	-
Accruals and deferred income	234,784	179,311	8,000	9,999
Trade payables	52,565	62,939	-	30,697
Deferred tax	44,054	-	-	-
Taxation and social security	120,707	72,708	600	-
Other payables	<u>43,776</u>	<u>68,376</u>	<u>-</u>	<u>-</u>
	<u>1,295,886</u>	<u>1,183,334</u>	<u>8,600</u>	<u>40,696</u>

The deferred tax liability relates to accelerated capital allowances, there was no opening balance and the year-end balance relates to the deferred tax charge recognised during the year.

**17. PAYABLES: NON-CURRENT LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Bank loan – property	-	-	-	-
Other payables	<u>436,000</u>	<u>436,000</u>	<u>-</u>	<u>-</u>
	<u>436,000</u>	<u>436,000</u>	<u>-</u>	<u>-</u>

The property bank loan was secured against the Group's Salford Quays property and against the personal assets of D Cass. The loan was repaid in October 2019.

**18. SHARE CAPITAL AND RESERVES**

<b>Company</b>	<b>Allotted, called up and fully paid</b>			
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
Ordinary shares of £0.01 each	<u>7,394,120</u>	<u>73,941</u>	<u>7,288,834</u>	<u>72,888</u>

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

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**18. SHARE CAPITAL AND RESERVES – continued**

During the year the Company issued ordinary shares for a total consideration of £20,200.

**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 2020.

**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 2020 (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 2019		
Trade and other payables	383,835	436,000
Loan and borrowings	<u>800,000</u>	<u>-</u>
	<u>1,183,835</u>	<u>436,000</u>
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>

**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 2020, 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 2020 (continued)**

**21. FINANCIAL INSTRUMENTS**

	Classification under IFRS 9	Carrying amount as at 31 December 2020 £	Carrying amount as at 31 December 2019 £
<b>Financial assets</b>			
Trade receivables	Amortised cost	35,354	1,824
Other receivables	Amortised cost	630	32,316
Cash and cash equivalents	Amortised cost	<u>518,425</u>	<u>365,254</u>
		<u>554,409</u>	<u>399,394</u>
<b>Financial liabilities</b>			
Borrowings	Amortised cost	800,000	800,000
Trade payables	Amortised cost	52,565	62,939
Other payables	Amortised cost	<u>479,776</u>	<u>504,376</u>
		<u>1,332,341</u>	<u>1,367,315</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 £400,00 (2019: £400,000) due to the Directors in respect of interest free loans.

*Companies controlled by the directors*

During the year the Group paid a total of £48,333 for services provided by related companies of directors (2019: £56,000). The fees are included in administrative expenses within the consolidated income statements. At 31 December 2020 the balance due to the related companies was nil (2019: 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 distributions and other 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 2020 *(continued)***

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**23. GOING CONCERN**

The consolidated balance sheet at 31 December 2020 shows net assets of £1,352,261 (2019: £688,734).

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 31 December 2022.

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 in the total value of £430,000 have indicated that they will not seek repayment of these loans before 31 December 2022 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 repaid its non-bank loan and secured a revolving credit facility from LendNet LLP.

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