

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

FOR

TWO CITIES TELEVISION LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

TWO CITIES TELEVISION LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS:

M R Jackson
S Wright
D A Mortimer

REGISTERED OFFICE:

18 Glasshouse Studios
Fryern Court Road
Fordingbridge
Hampshire
SP6 1QX

REGISTERED NUMBER:

09928703 (England and Wales)

ACCOUNTANTS:

LEES
Chartered Certified Accountants
18 Glasshouse Studios
Fryern Court Road
Fordingbridge
Hampshire
SP6 1QX

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	4		-		144
Investments	5		<u>2</u>		<u>2</u>
			2		146
CURRENT ASSETS					
Work in progress		-		9	
Debtors	6	3,822,016		1,007,048	
Cash at bank and in hand		<u>255,730</u>		<u>380,439</u>	
		4,077,746		1,387,496	
CREDITORS					
Amounts falling due within one year	7	<u>4,273,750</u>		<u>866,591</u>	
NET CURRENT (LIABILITIES)/ASSETS			(196,004)		520,905
TOTAL ASSETS LESS CURRENT LIABILITIES			(196,002)		521,051
CREDITORS					
Amounts falling due after more than one year	8		-		600,000
NET LIABILITIES			<u>(196,002)</u>		<u>(78,949)</u>
CAPITAL AND RESERVES					
Called up share capital	9		13,333		13,333
Share premium			2,667,894		2,667,894
Retained earnings			<u>(2,877,229)</u>		<u>(2,760,176)</u>
SHAREHOLDERS' FUNDS			<u>(196,002)</u>		<u>(78,949)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 19 September 2023 and were signed on its behalf by:

S Wright - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. STATUTORY INFORMATION

Two Cities Television 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

At 31 December 2022, the company had net liabilities of £196,002. The directors believe, after reviewing the business activities of the company, together with the factors likely to affect its future development, its financial position, its exposure to financial risk, and on the basis of funding available, that the company has sufficient resources to continue in operation for the foreseeable future. Therefore, the directors believe it appropriate to adopt the going concern basis in preparing the financial statements.

Preparation of consolidated financial statements

The financial statements contain information about Two Cities Television Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue received or receivable for work carried out in producing television programmes is recognised upon delivery when the significant risks and rewards of ownership have been transferred to the buyer; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Revenue not meeting these conditions is deferred on the balance sheet.

Tangible assets

Tangible assets are recorded at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are as follows:

Plant and machinery etc - 25% on cost

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

Work in progress

Work in progress is valued at the lower of cost and net realisable value.

Production costs are recognised in work in progress until programmes are delivered and as a cost of sale as soon as programmes are delivered and related production revenues are recognised.

Development costs are written off in the year in which they are incurred except where they relate to a clearly defined contract, the outcome of which has been assessed with reasonable certainty as to its success and commercial viability. In such cases the expenditure is recognised as work in progress to the extent that its recovery can be reasonably regarded as assured and the cost is written off against revenue over the period of the contract. The costs of abortive productions are taken directly to the Income Statement.

Convertible loan notes

Convertible loan notes issued by the company, where settlement depends on uncertain future events that are beyond the control of the company and the loan note holder, are treated as a financial liability of the company until vesting conditions are met.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

3. EMPLOYEES

The average number of employees during the year was 5 (2021 - 4) .

4. TANGIBLE ASSETS

	Plant and machinery etc £
COST	
At 1 January 2022	
and 31 December 2022	5,936
DEPRECIATION	
At 1 January 2022	5,792
Charge for year	144
At 31 December 2022	5,936
NET BOOK VALUE	
At 31 December 2022	-
At 31 December 2021	144

5. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2022	
and 31 December 2022	2
NET BOOK VALUE	
At 31 December 2022	2
At 31 December 2021	2

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	26,885	476,978
Amounts owed by group undertakings	3,317,095	471,258
Other debtors	478,036	58,812
	<u>3,822,016</u>	<u>1,007,048</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	24,078	314,150
Amounts owed to group undertakings	1	-
Taxation and social security	5,195	28,335
Other creditors	4,244,476	524,106
	<u>4,273,750</u>	<u>866,591</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other creditors	<u>-</u>	<u>600,000</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
10,000	Ordinary	£1	10,000	10,000
3,333	A Ordinary	£1	3,333	3,333
			<u>13,333</u>	<u>13,333</u>

10. PENSION COMMITMENTS

At 31 December 2022, included in other creditors falling due within one year are unpaid contributions of £632 (2021 - £623) due to a defined contribution pension scheme.

11. RELATED PARTY DISCLOSURES

The company has a £3,000,000 production finance facility with an associated company. During the year, the company drew down £2,400,000 (2021 - £600,000) under this facility. Amounts drawn incur interest at 2.15% above Bank of England base rate and are due for repayment on 30 June 2023. Interest of £73,530 was charged on these amounts during the year (2021 - £Nil). The company also received an interest-free working capital loan from this associated company during the year of £200,000 (2021 - £Nil). The total amount owed to this associated company at the year end was £3,243,652 and is included within other creditors falling due within one year (2021 - £600,000, included within other creditors falling due after more than one year).

12. CONTROLLING PARTIES

There is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.