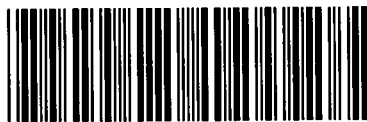


REGISTERED NUMBER 10562415

TMG INNOVATIONS LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018

MONDAY



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COMPANIES HOUSE

DIRECTORS

R K Mowatt
Telegraph Media Group Limited

REGISTERED OFFICE

111 Buckingham Palace Road
London
SW1W 0DT

REGISTERED NUMBER

10562415

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements of the Company, for the financial year ended 31 December 2018.

The Company, incorporated in the United Kingdom, is registered in England and Wales, registration number 10562415.

The Company has chosen in accordance with section 414B(b) of the Companies Act 2006 not to prepare a Strategic Report.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a private limited investment holding company.

DIRECTORS OF THE COMPANY

The directors of the Company who were in office throughout the year and up to the date of signing the financial statements were:

R K Mowatt
Telegraph Media Group Limited – Appointed 2 January 2019
F P Ronayne – Resigned 2 January 2019

The Company has entered into qualifying third party indemnity arrangements for the benefit of all its directors, which were in force during the financial year and also at the approval date of the financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 - CONTINUED**DIRECTORS' CONFIRMATIONS**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Annual General Meeting.

On behalf of the Board



R K Mowatt

Director

10th October 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TMG INNOVATIONS LIMITED**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****OPINION**

In our opinion, TMG Innovations Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 December 2018; the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TMG INNOVATIONS LIMITED - CONTINUED***DIRECTORS' REPORT***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT***RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS***

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

USE OF THIS REPORT

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING**COMPANIES ACT 2016 EXCEPTION REPORTING**

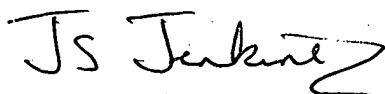
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

ENTITLEMENT TO EXEMPTIONS

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

11 October 2019

BALANCE SHEET**as at 31 December 2018****Company Registered Number: 10562415**

	Note	31 Dec 2018 Can\$	31 Dec 2017 Can\$
Fixed assets			
Investments	3	225,000	75,000
Total assets less current liabilities		<u>225,000</u>	<u>75,000</u>
Creditors: amounts falling due after more than one year	4	(224,831)	(74,831)
Net assets		<u>169</u>	<u>169</u>
Capital and reserves			
Called up share capital	5	169	169
Total shareholders' funds		<u>169</u>	<u>169</u>

The notes on pages 8 to 9 form part of these financial statements.

The Company has no profit or loss in the year or prior year, and therefore no Statement of Profit or Loss has been presented.

These financial statements on pages 6 to 9 were approved by the board of directors on 10TH October 2019 and were signed on its behalf by



R K Mowatt
Director

STATEMENT OF CHANGE IN EQUITY
for the financial year ended 31 December 2018

	Note	Called up share capital Can\$	Total equity Can\$
At 1 January 2018	5	169	169
At 31 December 2018		169	169

for the financial period ended 31 December 2017

	Note	Called up share capital Can\$	Total equity Can\$
At 13 January 2017		-	-
Proceeds from shares issued	5	169	169
At 31 December 2017		169	169

The notes on pages 8 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the reporting year presented, are set out below;

(a) Basis of accounting

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

The financial statements have been presented in Canadian Dollars, which is also the functional currency of the Company and under the historical cost convention. A summary of the principal accounting policies which have been applied consistently are set out below.

The Company is exempt from publishing a cash flow statement set out in paragraph 1.12(b) of FRS 102 as it is a subsidiary undertaking of Press Acquisitions Limited, the parent company of the smallest group in which the results of the Company are consolidated and publicly available and include such a statement.

The Company has taken advantage of the exemption contained in FRS 102 paragraph 33.1(a) and has not disclosed transactions or balances with entities which form part of the group or are disclosed in the group financial statements.

(b) Going Concern

The financial statements have been prepared on a going basis as the Company has received written confirmation from its immediate parent undertaking, Telegraph Media Group Limited, that it will continue to provide financial support to the company for a period of at least 12 months from the date of signing of these financial statements.

(c) Investments

Investments where the Company does not have significant influence are accounted for in accordance with Section 11 of FRS 102 *Basic Financial Instruments* and are stated at cost less accumulated impairment losses.

2. AUDITORS' REMUNERATION

Audit fees are borne by the immediate parent company, Telegraph Media Group Limited, in both 2018 and 2017.

3. INVESTMENTS

	Can\$
At 1 January 2018	75,000
Additions in the financial year	150,000
At 31 December 2018	<u>225,000</u>

The Company has committed investments of Can\$500,000 in a Canadian Company whose objective is to create, build and commercialise the next generation entertainment and media experiences. During the year, Can\$150,000 (2017: Can\$75,000) was paid and two further instalments are due within the next two years.

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

	2018	2017
	Can\$	Can\$
Amounts owed to immediate parent company	<u>224,831</u>	<u>74,831</u>
	<u>224,831</u>	<u>74,831</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**
5. CALLED UP SHARE CAPITAL

	2018	2017
	Can\$	Can\$
Issued, called up and fully paid:		
100 (2017: 100) ordinary shares of £1 (Can\$1.69) each	<u>169</u>	<u>169</u>

6. RELATED PARTIES

The Company has taken advantage of the exemption contained in FRS 102 paragraph 33.1(a) and has not disclosed details of transactions with other wholly owned group companies within the Press Holdings Limited group.

7. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate parent company is Telegraph Media Group Limited, incorporated in Great Britain. The immediate parent company of Telegraph Media Group Limited is Press Acquisitions Limited. The directors regard these companies as being ultimately controlled by the Sir David and Sir Frederick Barclay's Family Settlements.

The smallest group in which the results of the Company are consolidated and publicly available is that of which Press Acquisitions Limited is the parent company. The consolidated financial statements of Press Acquisitions Limited may be obtained from its registered office, 2nd Floor, 14 St George Street, London W1S1FE.

8. SUBSEQUENT EVENTS

On 24 May 2019, the Company fulfilled its obligation to make a further instalment payment in its investment detailed in Note 3. There were no other subsequent events.