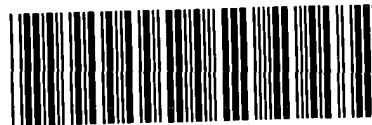


**REGISTERED NUMBER: 02220246 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
MX1 LIMITED**

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**MX1 LIMITED (REGISTERED NUMBER: 02220246)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**MX1 LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**DIRECTORS:**

J M Trautman  
S P Roue

**REGISTERED OFFICE:**

Unit 3  
Victoria Road Industrial Estate  
North Acton  
London  
W3 6UU

**REGISTERED NUMBER:**

02220246 (England and Wales)

**AUDITORS:**

Haines Watts  
Chartered Accountants and Statutory Auditors  
Advantage  
87 Castle Street  
Reading  
Berkshire  
RG1 7SN

**MX1 LIMITED (REGISTERED NUMBER: 02220246)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report with the financial statements of the company for the year ended 31 December 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the provision of video and broadcast duplication services to the television industry.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019.

**FUTURE DEVELOPMENTS**

There are no particular matters that the directors feel will significantly alter the ongoing development of the business in the short and medium term. The Company aims to continue its policy of providing both exceptional levels of service and excellent product quality, in order to maintain existing customer relationships, and to allow it to exploit new opportunities that arise.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors who have held office during the period from 1 January 2019 to the date of this report are as follows:

W J Umer - resigned 30 January 2019

P Nilles - resigned 1 November 2019

F Kayser - appointed 31 January 2019 - resigned 1 November 2019

J M Trautman - appointed 1 November 2019

S P Roue - appointed 1 November 2019

**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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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. They 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.

**MX1 LIMITED (REGISTERED NUMBER: 02220246)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**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 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 company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

*Symon Roue*

.....  
S P Roue - Director

Date: 10/07/2020  
.....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MX1 LIMITED**

---

### **Opinion**

We have audited the financial statements of MX1 Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed within note 2 - accounting policies.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MX1 LIMITED**

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### **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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Report of the Directors.

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

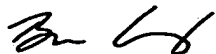
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
MX1 LIMITED**

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**Use of our report**

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 a Report of the Auditors 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.



Benjamin Loveday FCCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants and Statutory Auditors  
Advantage  
87 Castle Street  
Reading  
Berkshire  
RG1 7SN

Date: .....14th July 2020.....

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>as restated £</b>
	<b>Notes</b>		
<b>TURNOVER</b>		<b>4,040,365</b>	<b>4,229,027</b>
Cost of sales		<u>2,224,334</u>	<u>2,542,675</u>
<b>GROSS PROFIT</b>		<b>1,816,031</b>	<b>1,686,352</b>
Administrative expenses		<u>1,972,855</u>	<u>2,446,261</u>
<b>OPERATING LOSS</b>	<b>5</b>	<b>(156,824)</b>	<b>(759,909)</b>
Intercompany write off	<b>6</b>	<u>1,060,037</u>	<u>-</u>
		<b>903,213</b>	<b>(759,909)</b>
Interest receivable and similar income	<b>7</b>	<u>1,820</u>	<u>632</u>
		<b>905,033</b>	<b>(759,277)</b>
Interest payable and similar expenses	<b>8</b>	<u>3</u>	<u>90</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>905,030</b>	<b>(759,367)</b>
Tax on profit/(loss)	<b>9</b>	<u>10,443</u>	<u>(25,515)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>894,587</b>	<b>(733,852)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u><b>(733,852)</b></u>
Prior year adjustment	<b>10</b>	<u>(463,554)</u>	
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>		<u><b>431,033</b></u>	

The notes form part of these financial statements

**BALANCE SHEET**  
**31 DECEMBER 2019**

		2019		2018 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	11	-	-		280,727
Tangible assets	12		1,392,882		1,732,991
			<u>1,392,882</u>		<u>2,013,718</u>
<b>CURRENT ASSETS</b>					
Stocks	13	-	-	13,707	
Debtors	14	1,086,463		1,509,848	
Cash at bank and in hand		680,891		525,098	
			<u>1,767,354</u>	<u>2,048,653</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	431,468		2,236,883	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>1,335,886</u>		<u>(188,230)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,728,768</u>		<u>1,825,488</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		(82,875)		(92,433)
<b>PROVISIONS FOR LIABILITIES</b>	18		(168,251)		(150,000)
<b>NET ASSETS</b>			<u><u>2,477,642</u></u>		<u><u>1,583,055</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		56,501		56,501
Share premium	20		6,500		6,500
Capital redemption reserve	20		11,000		11,000
Retained earnings	20		2,403,641		1,509,054
<b>SHAREHOLDERS' FUNDS</b>			<u><u>2,477,642</u></u>		<u><u>1,583,055</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on .....10/07/2020..... and were signed on its behalf by:

*Symon Roue*

.....  
S P Roue - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2018</b>	56,501	2,242,906	6,500	11,000	2,316,907
<b>Changes in equity</b>					
Total comprehensive income	-	(270,298)	-	-	(270,298)
<b>Balance at 31 December 2018</b>	56,501	1,972,608	6,500	11,000	2,046,609
Prior year adjustment	-	(463,554)	-	-	(463,554)
<b>As restated</b>	56,501	1,509,054	6,500	11,000	1,583,055
<b>Changes in equity</b>					
Total comprehensive income	-	894,587	-	-	894,587
<b>Balance at 31 December 2019</b>	56,501	2,403,641	6,500	11,000	2,477,642

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. STATUTORY INFORMATION**

MX1 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.

The nature of the company's operations and principal activity is that of the provision of video and broadcast duplication services to the television industry.

**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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £0.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Future Media Group Limited. These financial statements may be obtained from companies house.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. ACCOUNTING POLICIES - continued**

**Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The whole of the turnover is attributable to the principal activity of the company.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

An impairment loss has been recognised in the Income Statement, following an assessment at the Balance Sheet date indicating the recoverable amount was less than its carrying value.

Development costs are being amortised evenly over their estimated useful life of eight years.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**2 ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Long-term leasehold property - over the life of the lease  
Plant and machinery - 3 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

**Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

**Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange differences are charged to the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**2. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**Pension costs and other post-retirement benefits**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**Going concern**

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The balances affected by these judgements and estimates include the useful economic life of intangible and tangible fixed assets and the provision of doubtful debts.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**4. EMPLOYEES AND DIRECTORS**

	2019	2018 as restated
	£	£
Wages and salaries	2,076,976	2,445,894
Social security costs	229,544	267,102
Other pension costs	56,023	46,666
	<u>2,362,543</u>	<u>2,759,662</u>

The average number of employees during the year was as follows:

	2019	2018 as restated
All personnel	<u>44</u>	<u>51</u>

	2019	2018 as restated
	£	£
Directors' remuneration	-	61,680
Directors' pension contributions to money purchase schemes	-	1,029
	<u>-</u>	<u>62,709</u>

**5. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	2019	2018 as restated
	£	£
Hire of plant and machinery	11,453	12,029
Other operating leases	160,226	143,434
Depreciation - owned assets	308,069	373,677
Loss on disposal of fixed assets	138,000	786,930
Development costs amortisation	41,326	46,702
Auditors' remuneration	13,520	12,030
Foreign exchange differences	49,719	(34,754)
	<u>622,313</u>	<u>1,438,048</u>

**6. EXCEPTIONAL ITEMS**

	2019	2018 as restated
	£	£
Intercompany write off	<u>1,060,037</u>	<u>-</u>

The exceptional item relates to the write-off of balances between group companies.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2019</b>	<b>2018 as restated</b>
	<b>£</b>	<b>£</b>
Deposit account interest	<b>1,820</b>	<b>632</b>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2019</b>	<b>2018 as restated</b>
	<b>£</b>	<b>£</b>
Bank overdraft interest	<b>3</b>	<b>90</b>

**9. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	<b>2019</b>	<b>2018 as restated</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	<b>27,354</b>	<b>119</b>
Overprovision in prior year	<b>(39,429)</b>	<b>39,429</b>
Total current tax	<b>(12,075)</b>	<b>39,548</b>
Deferred tax	<b>22,518</b>	<b>(65,063)</b>
Tax on profit/(loss)	<b>10,443</b>	<b>(25,515)</b>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**9. TAXATION - continued****Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018 as restated
	£	£
Profit/(loss) before tax	905,030	(759,367)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	171,956	(144,280)
Effects of:		
Expenses not deductible for tax purposes	-	1,777
Depreciation in excess of capital allowances	59,341	177,354
Utilisation of tax losses	(25,258)	(34,732)
Adjustments to tax charge in respect of previous periods	(39,429)	39,429
Impairment of intangible fixed assets	22,722	-
Intercompany write off not taxable	(201,407)	-
Deferred tax	22,518	(65,063)
Total tax charge/(credit)	10,443	(25,515)

**10. PRIOR YEAR ADJUSTMENT**

A prior year adjustment has been made following completion of the group transfer pricing review.

**Changes in profit and loss to 31 December 2018**

Retained earnings have decreased by £463,554 as a result of the following adjustments:

	£
Reduction in Revenue	565,029
Reduction in Corporation Tax	(101,475)
	463,554

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

## 11. INTANGIBLE FIXED ASSETS

	Development costs £
<b>COST</b>	
At 1 January 2019	373,018
Disposals	(181,853)
Impairments	(191,165)
At 31 December 2019	-
<b>AMORTISATION</b>	
At 1 January 2019	92,291
Amortisation for year	41,326
Eliminated on disposal	(62,299)
Impairments	(71,318)
At 31 December 2019	-
<b>NET BOOK VALUE</b>	
At 31 December 2019	-
At 31 December 2018	280,727

## 12. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 January 2019	1,818,337	4,539,275	6,357,612
Additions	-	28,278	28,278
Disposals	-	(109,331)	(109,331)
At 31 December 2019	1,818,337	4,458,222	6,276,559
<b>DEPRECIATION</b>			
At 1 January 2019	408,660	4,215,961	4,624,621
Charge for year	145,418	162,651	308,069
Eliminated on disposal	-	(49,013)	(49,013)
At 31 December 2019	554,078	4,329,599	4,883,677
<b>NET BOOK VALUE</b>			
At 31 December 2019	1,264,259	128,623	1,392,882
At 31 December 2018	1,409,677	323,314	1,732,991

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**13. STOCKS**

	<b>2019</b>	<b>2018</b> as restated
	£	£
Work-in-progress	-	13,707

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b> as restated
	£	£
Trade debtors	730,631	1,024,457
Amounts owed by group undertakings	-	292,849
Other debtors	15,900	-
Tax	101,475	-
Deferred tax asset	-	4,267
Prepayments and accrued income	238,457	188,275
	<b>1,086,463</b>	<b>1,509,848</b>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b> as restated
	£	£
Trade creditors	38,186	42,833
Amounts owed to group undertakings	-	1,519,523
Tax	27,354	39,547
Social security and other taxes	154,441	202,353
Other creditors	99,642	22,248
Accruals and deferred income	111,845	410,379
	<b>431,468</b>	<b>2,236,883</b>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2019</b>	<b>2018</b> as restated
	£	£
Other creditors	82,875	92,433

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018 as restated
	£	£
Within one year	117,000	117,000
Between one and five years	468,000	468,000
In more than five years	526,500	643,500
	<u>1,111,500</u>	<u>1,228,500</u>

Total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Within one year	30,000	-
Between one and five years	-	-
In more than five years	-	-
	<u>30,000</u>	<u>-</u>

**18. PROVISIONS FOR LIABILITIES**

	2019	2018 as restated
	£	£
Deferred tax	18,251	-
Other provisions	150,000	150,000
	<u>168,251</u>	<u>150,000</u>
	<b>Deferred tax</b>	<b>Other provisions</b>
	£	£
Balance at 1 January 2019	(4,267)	150,000
Provided during year	22,518	-
Balance at 31 December 2019	<u>18,251</u>	<u>150,000</u>

## 19. CALLED UP SHARE CAPITAL

Number	Class	Alotted, issued and fully paid:
56,501	Ordinary	
		£1
		£
		restated
		as
		2018
		2019
		56,501
		56,501

## 20. RESERVES

	At 1 January 2019	Prior year adjustment	Profit for the year	At 31 December 2019
Retained earnings	1,972,608	(463,554)	1,509,054	2,403,641
Share premium	6,500			6,500
Capital redemption reserve	11,000			11,000
Totals	1,990,108	(463,554)	1,526,554	2,421,141

## 21. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £56,023 (2018 - £35,584). There were no outstanding contributions at the balance sheet date (2018 - £Nil).

## 22. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

## 23. POST BALANCE SHEET EVENTS

The outbreak of Coronavirus Disease ("COVID-19 outbreak") in early 2020 has had significant impact on global financial markets. The Board of directors will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Company.

This is considered to be a non-adjusting event after the reporting period. The Board of directors will continue to remain alert to the situation and monitor the performance of the company. In the event that the financial markets and/or the overall economy are impacted for an extended period, the performance of the Company may be materially adversely affected. Except for the above, there have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 December 2019.

**24. ULTIMATE CONTROLLING PARTY**

Following the acquisition of the company in the period, the ultimate controlling party is as follows:

The immediate parent company is Visual Data Media Services Limited.

The ultimate parent company is Visual Data Media Services Inc., a company incorporated in the USA. The ultimate controlling party is J Trautman.

The smallest group of undertakings preparing consolidated financial statements including the company is headed by Visual Data Media Services Inc. Consolidated financial statements can be obtained from 610 N.Hollywood Way, Burbank, CA 91505, USA.