

Company registration number 05991699 (England and Wales)

AVALON ENTERTAINMENT LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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AVALON ENTERTAINMENT LIMITED

COMPANY INFORMATION

Directors	R Allen-Turner R Aslett J Mowll G Perkins J Thoday J Taylor L Kennedy
Secretary	R Allen-Turner
Company number	05991699
Registered office	4a Exmoor Street London W10 6BD
Bankers	The Royal Bank of Scotland Plc 62/63 Threadneedle Street PO Box 412 London EC2R 8LA

AVALON ENTERTAINMENT LIMITED

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AVALON ENTERTAINMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The directors present their annual report and financial statements for the year ended 30 June 2022.

Principal activities

The principal activity of the company continued to be that of an intermediate holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R Allen-Turner

R Aslett

J Mowll

G Perkins

J Thoday

J Beresford

(Resigned 1 January 2022)

J Taylor

L Kennedy

Results and dividends

The results for the year are set out on page 3.

No dividends were received in the year ended 30 June 2022 (2021: £8,150,000).

No dividends were declared or paid in the year ended 30 June 2022 (2021: £8,150,000).

Future developments

We are not aware of any trends or factors which are likely to have significant impact on the future development, performance and position of the company's business.

Post Balance Sheet events

There have been no significant events affecting the company since the year-end.

AVALON ENTERTAINMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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.

Disclosure of Audit Requirements

The Company is a wholly owned subsidiary of Tiverton Holdings Limited and of its ultimate parent Tiverton 2 Limited. It is included in the consolidated financial statements of Tiverton 2 Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from statutory audit according to The Companies and Limited Liability Partnership (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012.

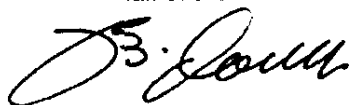
Small Companies Exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Accordingly the exemption has been taken from preparing a strategic report.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the note 1 of the financial statements.

On behalf of the board



J Mowl

Director

22 May 2023

AVALON ENTERTAINMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 £
Administrative expenses		(65)	(65)
Operating loss		(65)	(65)
Dividend income from group undertakings	4	-	8,150,000
Interest receivable and similar income	4	-	10,220
Interest payable and similar expenses	5	-	(12,820)
(Loss)/profit before taxation		(65)	8,147,335
Taxation on loss on ordinary activities	6	22	506
(Loss)/profit for the financial year		(43)	8,147,841

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

AVALON ENTERTAINMENT LIMITED

BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	7		341,125		341,125
Current assets					
Debtors	10	1,484,094		1,484,071	
Cash at bank and in hand		37,288		37,354	
		1,521,382		1,521,425	
Creditors: amounts falling due within one year	11	(1,050,803)		(1,050,803)	
Net current assets			470,579		470,622
Total assets less current liabilities			811,704		811,747
Capital and reserves					
Called up share capital	12		17,827		17,827
Share premium account			784,602		784,602
Profit and loss account			9,275		9,318
Total equity			811,704		811,747

The notes on pages 6 to 13 are an integral part of these financial statements.

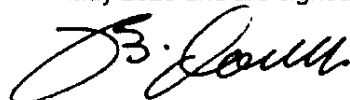
For the financial year ended 30 June 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to non-dormant subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements on pages 3 to 13 were approved by the board of directors and authorised for issue on 22 May 2023 and are signed on its behalf by:



J Mowll
Director

Company Registration No. 05991699

AVALON ENTERTAINMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Share capital £	Share premium account £	Profit and loss account £	Total £
Balance at 1 July 2020		17,827	784,602	11,477	813,906
Year ended 30 June 2021:					
Profit and total comprehensive income for the year		-	-	8,147,841	8,147,841
Dividends		-	-	(8,150,000)	(8,150,000)
Balance at 30 June 2021		17,827	784,602	9,318	811,747
Year ended 30 June 2022:					
Loss and total comprehensive income for the year		-	-	(43)	(43)
Balance at 30 June 2022	10	<u>17,827</u>	<u>784,602</u>	<u>9,275</u>	<u>811,704</u>

AVALON ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

1.1 General information

The principal activity of the company continued to be that of an intermediate holding company.

Avalon Entertainment Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4a Exmoor Street, London, W10 6BD.

1.2 Statement of compliance

The individual financial statements of Avalon Entertainment Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

(b) Going Concern

In reaching their decision to prepare the accounts on a going concern basis, the Directors have considered the impact of the current economic climate on both the Company and the group of which it is a member.

Having given due consideration to the above factors, the current year result and the anticipated future performance of the Company, taking into account reasonably possible changes in the trading performance, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the accounts.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Tiverton 2 Limited, includes the company's cash flows in its own consolidated financial statements.

(d) Consolidated financial statements

The company is a wholly owned subsidiary of Tiverton Holdings Limited and of its ultimate parent, Tiverton 2 Limited. It is included in the consolidated financial statements of Tiverton 2 Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

AVALON ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

(e) Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of value added taxes. Revenue is recognised to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

(f) Foreign Currency

The company's functional and presentation currency is the pound sterling.

(g) Interest

Interest receivable and payable are recognised in the profit and loss account using the effective interest method.

1.4 Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

In the company balance sheet, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicator of impairment at each reporting end date.

AVALON ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

1.7 Equity instruments

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

1.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.9 Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

AVALON ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities 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. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

No material judgements or estimates have been used in preparation of the Company's financial statements.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	-	-

4 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Bank interest	-	10,220
Other income from investments		
Dividends received	-	8,150,000
Total income	-	8,160,220

5 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	-	12,820

6 Taxation

	2022 £	2021 £
(a) Tax expense included in the profit and loss		
Current tax		
UK corporation tax on profits for the current period	(22)	(506)
Total current tax	(22)	(506)

AVALON ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

6 Taxation

(Continued)

(b) Reconciliation of tax charge

Tax assessed for the period is lower than the standard rate of corporation tax in the UK for the year ended 30 June 2022 of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before taxation	(65)	8,147,335
Expected tax charge based on the standard rate of corporation tax in the UK of 19.0% (2021:19%)	(12)	1,547,994
Effects of:		
Tax effect of income not taxable in determining taxable profit	-	(1,548,500)
Unutilised tax losses carried forward	(10)	-
Tax charge for the year	(22)	(506)

(c) Tax rate changes

The standard rate of corporation tax in the UK will change from 19% to 25% with effect from 1 April 2023.

7 Fixed asset investments

	2022 £	2021 £
Investments	341,125	341,125

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2021 & 30 June 2022	341,125
Carrying amount	
At 30 June 2022	341,125
At 30 June 2021	341,125

AVALON ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

8 Subsidiaries

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held
Avalon Television Limited UK 02856604*	Television Production	Ordinary	100.00
Avalon Promotions Limited UK 02475367*	Provision of Services of Performers	Ordinary	100.00
Funny Friend Limited UK 03039621*	Provision of Services of Performers	Ordinary	100.00
Avalon Motion Pictures Limited UK 04285611*	Television Programme Production	Ordinary	100.00
Avalon Distribution Limited UK 06641887*	Television Distribution	Ordinary	100.00
Avalon Factual Limited UK 07923558*	Television Production	Ordinary	100.00
Cliffcouch Limited UK 0565389*	Dormant	Ordinary	100.00
Flame Television Production Limited UK 03863614*	Television Production	Ordinary	100.00
JSTO Limited 04425397* UK	Dormant	Ordinary	100.00
JSTO Touring Limited UK 05412136*	Dormant	Ordinary	100.00
Liberty Bell Productions Limited UK 04454622*	Television Production	Ordinary	100.00
The Money Pit (Liberty Bell) Limited UK 04197838*	Dormant	Ordinary	100.00
Tinderbox Television Limited UK 05278958*	Dormant	Ordinary	100.00
Topical Television Limited UK 02657408*	Television Production	Ordinary	100.00
TV Recordings 04168101* UK	Dormant	Ordinary	100.00
Avalon SI Productions Limited UK 05319921*	Television Production	Ordinary	100.00
Sketch Productions Limited UK 05164675*	Dormant	Ordinary	100.00
Half Inch Recordings UK 05021050*	Dormant	Ordinary	100.00
Brightwater Productions Limited UK 03890352*	Dormant	Ordinary	100.00

* indirect holding

The registered office of all of the company's subsidiaries, detailed above, is 4a Exmoor Street, London W10 6BD.

AVALON ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

9 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,484,094	1,484,071
Carrying amount of financial liabilities		
Measured at amortised cost	1,050,803	1,050,803

Financial assets measured at amortised cost comprise of trade debtors, other debtors, amounts owed by group undertakings, and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals and amounts owed to group undertakings.

10 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	2	2,168
Amounts owed by parent and fellow subsidiary undertakings	1,433,795	1,433,773
Amounts owed by related parties	2,167	-
Other debtors	450	450
Prepayments and accrued income	47,680	47,680
	1,484,094	1,484,071

Amounts owed by group undertakings and participating interests are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts due to group undertakings	1,050,803	1,050,803

A cross guarantee and debenture exists between the company, its ultimate parent company Tiverton 2 Limited and the following group companies: Tiverton Holdings Limited, Avalon Television Limited, Avalon Factual Holdings Limited, Flame Television Production Limited, Liberty Bell Productions Limited, Topical Television Limited, Tinderbox Television Limited, Avalon Distribution Limited and Avalon Promotions Limited to secure bank overdraft and loan facilities available to these companies.

AVALON ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

12 Called up share capital

	2022 £	2021 £
Issued and fully paid		
1,737,727 A Ordinary shares of 1p each	17,377	17,377
45,000 B Ordinary shares of 1p each	450	450
	<u>17,827</u>	<u>17,827</u>

There are two classes of ordinary share capital. Both are entitled to receive dividends equally based on the number of shares held. There are no restrictions on the distribution of dividends or the repayment of capital.

13 Control

The immediate parent undertaking is Tiverton Holdings Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Tiverton 2 Limited. Copies of consolidated financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The ultimate controlling party is J Thoday.

14 Related party transactions

The company has taken advantage of the exemption available in FRS 102 "Related party disclosure" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.