

The Future Media Group Limited

Annual report and financial statements

For the year ended 30 September 2018

Registered number: 06457221



The Future Media Group Limited

Company Information

Directors	J Trautman S Roue
Company secretary	J Trautman
Registered number	06457221
Registered office	316-318 Latimer Road London W10 6QN
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Group strategic report

For the year ended 30 September 2018

Principal activity

The principal activity of the group in the year under review was that of end to end content management and digital media supply chain solutions.

Business review

I am pleased to report a great 2018 trading performance for the business with sales up 11% on 2017.

The past 12 months has seen continued growth predominantly in the localisation and digital media supply chain areas of the business.

Once again we're also happy to report that our international sales growth has continued up 36% on 2017.

Revenue from outside of the UK now amount to 41% of our turnover (up from 34% in '17, 28% in '16 and 19% in '15).

During the year we became a Dolby Vision certified facility, an accreditation awarded to the top tier of media facilities capable of managing 4k High Dynamic Range content. We are also proud to maintain our status Apple Preferred plus and consolidated our Netflix relationship as fulfillment and post production preferred partners.

During the last quarter of FY2018 we acquired a competitor and integrated 25+ additional employees. The additional capacity has been significant and we're optimistic that we have the most capable digital media supply chain business in our industry.

Capex and investment during 2018 has been focused on high performance data storage, networking, 4K HDR and facility expansion to support the additional team member and growth in content management.

Our long term client relationships continue to thrive on the foundations of Visual Data hosting their master intellectual property.

Our working capital and cash position has increased, although profits are lower on 2017 predominantly due to the investment costs incurred as part of our acquisition.

The principal risks we face as an organisation are possible significant changes in currency rates, albeit to mitigate currency risk we transact in Euros and US Dollars on both buy and sell side.

Future developments

Looking ahead we have many new clients won, a great team of people and skills, in a thriving content creation environment.

This report was approved by the board on

19/01/2019

and signed on its behalf.

S Roue
Director



Directors' report

For the year ended 30 September 2018

The directors present their report together with the Strategic report and the financial statements for the year ended 30 September 2018.

Results and dividends

The profit for the year, after taxation, amounted to £494,880 (2017 - £800,848).

Directors

The directors who served during the year were:

J Trautman
S Roue

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

For the year ended 30 September 2018

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

This report was approved by the board on ^{date} 19/1/2019 and signed on its behalf.



S Roue
Director

Independent auditor's report to the members of The Future Media Group Limited For the year ended 30 September 2018

Opinion

We have audited the financial statements of The Future Media Group Limited ('the parent company') and its subsidiaries ('the Group') for the year ended 30 September 2018, which comprise the Group Statement of Income and retained earnings, the Group and company Statements of financial position, the Group Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 Group's and of the parent company's affairs as at 30 September 2018 and of the Group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report 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

Independent auditor's report to the members of The Future Media Group Limited (continued)

For the year ended 30 September 2018

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.

Opinion 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Buzzacott

Independent auditor's report to the members of The Future Media Group Limited (continued)

For the year ended 30 September 2018

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

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. This description forms part of our Auditor's report.

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 an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Wax (Senior statutory auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 5/2/19

Consolidated statement of income and retained earnings

For the year ended 30 September 2018

		2018 £	2017 £
Turnover	4	8,471,319	7,607,058
Cost of sales		(4,396,038)	(3,528,703)
Gross profit		4,075,281	4,078,355
Administrative expenses		(3,153,936)	(3,141,322)
Exceptional administrative expenses	11	(138,326)	115,788
Operating profit	5	783,019	1,052,821
Interest payable and expenses		(21,844)	-
Profit before tax		761,175	1,052,821
Tax on profit	10	(266,295)	(251,973)
Profit after tax		494,880	800,848
Retained earnings at the beginning of the year		3,387,544	3,249,196
		3,387,544	3,249,196
Profit for the year attributable to the owners of the parent		494,880	800,848
Dividends declared		(150,000)	(662,500)
Retained earnings at the end of the year		3,732,424	3,387,544
Non-controlling interest at the end of the year			

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 12 to 28 form part of these financial statements.

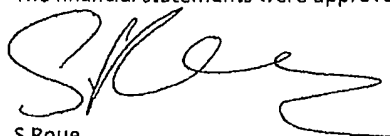
Consolidated statement of financial position

As at 30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	2,488,030	1,480,987
Tangible assets	14	1,212,538	1,060,788
		<u>3,700,568</u>	<u>2,541,775</u>
Current assets			
Stocks	16	8,532	8,272
Debtors: amounts falling due within one year	17	2,165,651	1,817,209
Cash at bank and in hand	18	1,673,983	1,434,972
		<u>3,848,166</u>	<u>3,260,453</u>
Creditors: amounts falling due within one year	19	(2,620,979)	(2,180,797)
Net current assets		<u>1,227,187</u>	<u>1,079,656</u>
Total assets less current liabilities		<u>4,927,755</u>	<u>3,621,431</u>
Creditors: amounts falling due after more than one year	20	(1,064,714)	(142,341)
Provisions for liabilities			
Deferred tax	24	(104,617)	(65,546)
		<u>(104,617)</u>	<u>(65,546)</u>
Net assets		<u><u>3,758,424</u></u>	<u><u>3,413,544</u></u>
Capital and reserves			
Called up share capital	25	25,361	25,361
Capital redemption reserve	26	639	639
Profit and loss account	26	3,732,424	3,387,544
		<u><u>3,758,424</u></u>	<u><u>3,413,544</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

19/01/2019



S Roue
Director

The notes on pages 12 to 28 form part of these financial statements.


Company statement of financial position

As at 30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	15	4,439,289	4,439,289
		<u>4,439,289</u>	<u>4,439,289</u>
 Creditors: amounts falling due within one year	19	(2,768,643)	(2,768,643)
 Net current liabilities		<u>(2,768,643)</u>	<u>(2,768,643)</u>
 Total assets less current liabilities		1,670,646	1,670,646
 Net assets excluding pension asset		<u>1,670,646</u>	<u>1,670,646</u>
 Net assets		<u>1,670,646</u>	<u>1,670,646</u>
 Capital and reserves			
Called up share capital	25	25,361	25,361
Capital redemption reserve	26	639	639
Profit and loss account brought forward		1,644,646	1,644,646
Profit for the year		150,000	662,500
Other changes in the profit and loss account		(150,000)	(662,500)
 Profit and loss account carried forward		<u>1,644,646</u>	<u>1,644,646</u>
		<u>1,670,646</u>	<u>1,670,646</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19/01/2019

S Roue
Director



The notes on pages 12 to 28 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 September 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	494,880	800,848
Adjustments for:		
Amortisation of intangible assets	193,207	148,198
Depreciation of tangible assets	339,223	389,656
Interest paid	21,844	-
Taxation charge	266,295	251,973
(Increase) in stocks	(260)	(686)
(Increase)/decrease in debtors	(348,441)	499,495
Increase in creditors	267,792	597,078
Net fair value losses/(gains) recognised in P&L	-	(115,791)
Corporation tax (paid)	(380,181)	(204,371)
Net cash generated from operating activities	854,359	2,366,400
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,200,250)	-
Purchase of tangible fixed assets	(490,973)	(491,105)
Net cash from investing activities	(1,691,223)	(491,105)

Consolidated statement of cash flows (continued)

For the year ended 30 September 2018

	2018 £	2017 £
Cash flows from financing activities		
New secured loans	1,384,897	-
Repayment of/new finance leases	(137,178)	(121,666)
Dividends paid	(150,000)	(662,500)
Interest paid	(21,844)	-
Joint ventures interest paid	-	244,043
Net cash used in financing activities	1,075,875	(540,123)
Net increase in cash and cash equivalents	239,011	1,335,172
Cash and cash equivalents at beginning of year	1,434,905	99,733
Cash and cash equivalents at the end of year	1,673,916	1,434,905
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,673,983	1,434,972
Bank overdrafts	(67)	(67)
	1,673,916	1,434,905

The notes on pages 12 to 28 form part of these financial statements.

Notes to the financial statements

For the year ended 30 September 2018

1. General information

The company is a private company limited by shares and is registered in England and Wales. The registered office of the company is 316-318 Latimer Road, London, W10 6QN. The registered number of the company is 06457221.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 ('FRS 102').

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover can be measured reliably;
- it is probable that the Group 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.

Notes to the financial statements

For the year ended 30 September 2018

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of income and retained earnings over its useful economic life.

2.5 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:

Short-term leasehold property	- Over the lease term
Plant and machinery	- 20% on cost
Motor vehicles	- 20% on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a 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 Consolidated statement of income and retained earnings.

2.6 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.

At each reporting 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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

Notes to the financial statements

For the year ended 30 September 2018

2. Accounting policies (continued)

2.8 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

2.10 Creditors

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

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Notes to the financial statements

For the year ended 30 September 2018

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Consolidated statement of income and retained earnings 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.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of income and retained earnings on a straight line basis over the lease term.

2.15 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated statement of income and retained earnings in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

Notes to the financial statements

For the year ended 30 September 2018

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions which affect the amounts reported for assets and liabilities as at the year end date and amounts reported for revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors considered areas involving estimation uncertainty or significant judgement to be in relation to:

- Deferred tax - recognition of a deferred tax asset (in respect of losses carried forward) is considered appropriate due to the expected future profit of the company.

The directors believe that there are no further areas involving significant estimation uncertainty or the application of significant judgement.

Notes to the financial statements

For the year ended 30 September 2018

4. Turnover

The whole of the turnover is attributable to the principle activity of the group.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	4,984,756	5,045,615
Rest of Europe	2,790,865	2,138,704
Rest of the world	695,698	422,739
	<u>8,471,319</u>	<u>7,607,058</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Amortisation	193,207	148,198
Depreciation	339,223	389,656
Other operating lease rentals	227,546	276,033
Exchange differences	18,385	8,945
Pension Contributions	40,655	18,886
	<u>818,916</u>	<u>841,718</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>22,000</u>	<u>20,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
Audit-related assurance services	4,200	1,685
Taxation compliance services	3,350	2,700
All other services	<u>2,775</u>	<u>-</u>

Notes to the financial statements

For the year ended 30 September 2018

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	2,949,512	2,835,981	-	-
Social security costs	339,513	266,364	-	-
Cost of defined contribution scheme	40,655	18,886	-	-
	<u>3,329,680</u>	<u>3,121,231</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Administrative	36	32
Direct	53	45
	<u>89</u>	<u>77</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	<u>223,333</u>	<u>273,162</u>

During the year retirement benefits were accruing to no directors (2017 - NIL) in respect of defined contribution pension scheme.

Key management personnel

Key management personnel includes the directors of the group only.

9. Interest payable and similar expenses

	2018 £	2017 £
Loan interest payable	<u>21,844</u>	<u>-</u>

Notes to the financial statements

For the year ended 30 September 2018

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	265,502	241,962
Adjustments in respect of previous periods	793	10,011
Total current tax	266,295	251,973

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19.5% (2017 - 19.5%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	761,175	1,052,822
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2017 - 19.5%)	210,739	205,300
Effects of:		
Expenses not deductible for tax purposes	40,495	15,289
Fixed asset differences	15,340	25,626
Adjustments to tax charge in respect of prior periods	3,947	4,180
Non-taxable income	(37,953)	(22,577)
Other differences	33,727	24,155
Total tax charge for the year	266,295	251,973

Notes to the financial statements

For the year ended 30 September 2018

11. Exceptional items

	2018 £	2017 £
Movements on NBV of fixed assets	-	(115,788)
Acquisition of VDMS Newco Limited	138,326	-
	<u>138,326</u>	<u>(115,788)</u>

In the current year, an expense totalling £138,326 was recognised in the financial statements in relation to the acquisition of VDMS Newco Limited, which occurred during the year.

In the prior year, the group performed an exercise to recalculate the net book value of all tangible fixed assets held at 30 September 2017. This resulted in a material gain in the statement of income and retained earnings of £115,788.

12. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and retained earnings in these financial statements. The profit after tax of the parent company for the year was £150,000 (2017 - £662,500).

Notes to the financial statements
For the year ended 30 September 2018

13. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 October 2017	2,963,968
Additions	1,200,250
At 30 September 2018	<u>4,164,218</u>
Amortisation	
At 1 October 2017	1,482,981
Charge for the year	193,207
At 30 September 2018	<u>1,676,188</u>
Net book value	
At 30 September 2018	<u><u>2,488,030</u></u>
At 30 September 2017	<u><u>1,480,987</u></u>

Notes to the financial statements

For the year ended 30 September 2018

14. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 October 2017	588,864	2,809,516	9,557	3,407,937
Additions	139,913	151,310	-	291,223
Acquisition of subsidiary	-	199,750	-	199,750
At 30 September 2018	728,777	3,160,576	9,557	3,898,910
Depreciation				
At 1 October 2017	244,619	2,092,973	9,557	2,347,149
Charge for the year on owned assets	70,080	269,143	-	339,223
At 30 September 2018	314,699	2,362,116	9,557	2,686,372
Net book value				
At 30 September 2018	414,078	798,460	-	1,212,538
At 30 September 2017	344,245	716,543	-	1,060,788

15. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Visual Data Media Services Limited	Ordinary	100 %	Broadcast post-production facility
VDMS Newco Limited	Ordinary	100 %	Broadcast post-production facility

Notes to the financial statements

For the year ended 30 September 2018

15. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 30 September 2018 and of the profit or loss for the period ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves	Profit
	£	£
Visual Data Media Services Limited	5,056,728	505,531
VDMS Newco Limited	337,327	337,327

The registered office of VDMS Newco Limited and Visual Data Media Services Limited is 316-318 Latimer Road, London, W10 6QN.

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2017	4,562,789
At 30 September 2018	4,562,789
Impairment	
At 1 October 2017	123,500
At 30 September 2018	123,500
Net book value	
At 30 September 2018	4,439,289
At 30 September 2017	4,439,289

On 18 May 2018, the group acquired a division of a company and formed VDMS Newco Limited. On this date, the group obtained 100% of the share capital of VDMS Newco Limited. The registered office of VDMS Newco Limited is 316-318 Latimer Road, London, W10 6QN.

The turnover attributable to VDMS Newco, since acquisition, was £843,911.

Notes to the financial statements

For the year ended 30 September 2018

16. Stocks

	Group 2018 £	Group 2017 £
Raw materials and consumables	8,532	8,272
	<u>8,532</u>	<u>8,272</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2018 £	Group 2017 £
Trade debtors	1,749,121	1,435,667
Other debtors	7,665	5,794
Prepayments and accrued income	408,865	375,748
	<u>2,165,651</u>	<u>1,817,209</u>

18. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	1,673,983	1,434,972	-	-
Bank overdrafts	(67)	(67)	(67)	(67)
	<u>1,673,916</u>	<u>1,434,905</u>	<u>(67)</u>	<u>(67)</u>

Notes to the financial statements

For the year ended 30 September 2018

19. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	67	67	67	67
Bank loans	357,550	-	-	-
Trade creditors	975,000	283,511	403	403
Amounts owed to other group undertakings	90,000	397,500	2,768,173	2,768,173
Corporation tax	103,989	256,946	-	-
Other taxation and social security	281,156	340,318	-	-
Obligations under finance lease and hire purchase contracts	103,600	135,804	-	-
Other creditors	69,401	272,398	-	-
Accruals and deferred income	640,216	494,253	-	-
	<u>2,620,979</u>	<u>2,180,797</u>	<u>2,768,643</u>	<u>2,768,643</u>

Included within trade creditors are amounts due to a director totalling £10,054 (2017 - £2,693).

Included within other creditors are amounts due to a director totalling £60,000 (2017 - £265,000) in respect of unpaid dividends.

20. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £
Bank loans	1,027,347	-
Net obligations under finance leases and hire purchase contracts	37,367	142,341
	<u>1,064,714</u>	<u>142,341</u>

Secured bank borrowings

The bank borrowings are secured by a fixed and floating charge over the assets of the company. Interest is paid on the loan at a rate of 3.95% per annum above the Bank's Base Rate.

Notes to the financial statements

For the year ended 30 September 2018

21. Loans

	Group 2018 £	Group 2017 £
Amounts falling due within one year		
Bank loans	357,550	-
Amounts falling due 1-2 years		
Bank loans	1,027,347	-
	<u>1,384,897</u>	<u>-</u>

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £	Group 2017 £
Within one year	88,196	135,804
Between 1-5 years	52,771	89,570
Over 5 years	-	52,771
	<u>140,967</u>	<u>278,145</u>

Notes to the financial statements

For the year ended 30 September 2018

23. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,673,983	1,434,972	-	-
Financial assets that are debt instruments measured at amortised cost	2,026,376	1,691,773	-	-
	<u>3,700,359</u>	<u>3,126,745</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(3,259,882)	(1,519,905)	(470)	(470)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand only.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

24. Deferred taxation

Group

	2018 £
At beginning of year	(65,546)
Charged to profit or loss	(39,071)
At end of year	<u>(104,617)</u>

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £
Fixed asset timing differences	(105,998)	(69,478)
Charged to the profit and loss	1,381	3,932
	<u>(104,617)</u>	<u>(65,546)</u>

Notes to the financial statements

For the year ended 30 September 2018

25. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
986 (2017 - 986) Ordinary shares of £1.00 each	986	986
24,375 (2017 - 24,375) Deferred shares of £1.00 each	24,375	24,375
	<u>25,361</u>	<u>25,361</u>

26. Reserves

Capital redemption reserve

This arose when the company purchased back its own shares.

Profit and loss account

Includes all current and prior period retained profits and losses.

27. Commitments under operating leases

At 30 September 2018 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	238,621	213,621
Later than 1 year and not later than 5 years	593,168	1,001,323
Later than 5 years	-	90,466
	<u>831,789</u>	<u>1,305,410</u>

28. Related party transactions

During the year the group paid dividends to Visual Data Media Services Inc. of £90,000 (2017 - £375,500). As at 30 September 2018, the amount due to Visual Data Media Services Inc. was £90,000 (2017 - £397,500).

The company has a balance with its subsidiary, Visual Data Media Services Limited. At 30 September 2018, the company was owed £2,768,173 (2017 - £2,768,173). No interest is charged on this balance.

There were no other related party transactions or balances which the company is required to disclose in accordance with Section 33.1A of FRS 102.