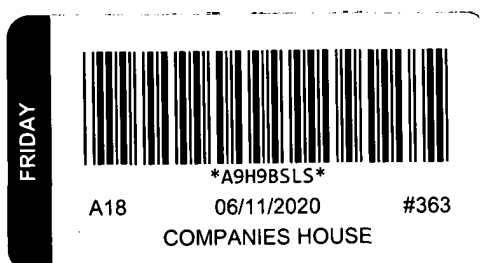


# **dock 10 Limited**

## **Annual Report and financial statements for the year ended 31 March 2020**

**Registered No: 07289237**



# **dock 10 Limited**

## **Directors**

M R Wall  
M A Senior A.C.A  
S K Underwood A.C.A.  
N Lees A.C.I.S.  
J A Whalley  
J P Whittaker

## **Secretary**

J A Whalley

## **Auditor**

Deloitte LLP  
Statutory Auditor  
Manchester  
United Kingdom

## **Bankers**

The Royal Bank of Scotland  
38 Mosley Street  
Manchester  
M60 2BE

## **Registered office**

Peel Dome, Intu Trafford Centre  
TraffordCity  
Manchester  
M17 8PL  
United Kingdom

# **dock 10 Limited**

## **Strategic report**

### **Principal activities**

The principal activities of the Company are the provision of a range of digital media services to the UK broadcast industry. dock 10 Limited operates 'The Studios' complex and the campus wide communications infrastructure at MediaCityUK in Manchester and provides studio, post production and related services.

As a recognised brand within the UK broadcast industry, the Company continues to grow its profile through delivering excellence in everything we do, being at the forefront in developing innovative services and collaborating with partners to meet the demands of a rapidly changing industry.

### **Business and financial review including key performance indicators**

The Company has continued to consolidate its position in the broadcast market.

Turnover in the year is at £25.7m (2019: £24.3m), a 5.8% increase in the year with gross profit increasing to £18.7m (2019: £18.2m). The Company's EBITDA is £2.4m (2019: £2.4m). The Company continues to attract a diverse range of productions and production companies, reflecting its recognised position as the leading Studios and Post Production facility in the UK.

Profit before tax has been decreased to £0.4m (2019: £0.5m) and after tax is breakeven. The tax on profit for the year has increased to £0.4m (2019: £0.2m), which includes a charge of £0.3m, relating to prior years.

The Company continues to drive efficiencies and savings where it can, while continuing to invest in hiring the best staff to deliver dock 10's business today and into the future. The average headcount for the year was 183 (2019: 175).

The Company continues to invest in its facilities, coupled with an on-going investment commitment in its technology infrastructure, to ensure that customer's requirements can be delivered.

dock 10 is committed to excellence in all that it does and continues to maintain UKAS accredited certifications to ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), OHSAS 45001: 2018 (Occupational Health and Safety Management Systems) and ISO 50001:2018 (Energy Management Systems). These standards are fundamental to delivering a differentiated product offering, based around its integrated management system, which underpins its commitments and responsibilities for customer satisfaction, health and safety and minimising environmental impacts.

### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit, business cash flow and liquidity exposures.

### **Covid-19**

The unprecedented nature of the Covid-19 pandemic has impacted the whole of the UK economy including the Broadcast Media industry. The UK Government's implementation of 'Lockdown', on 23<sup>rd</sup> March 2020, the cancellation of sporting fixtures (particularly football) and the restrictions placed on people meeting in groups (i.e. audiences) had an immediate impact on the operations of dock 10. The Company quickly introduced a number of mitigating actions to ensure the health and wellbeing of its staff, the continued operation of the dock 10 business and the preservation of its highly skilled staff base.

dock 10 continued to operate during Lockdown delivering the BBC's 'Bitesize Daily' educational programmes and Newsround from its studios and a wide range of post production services many of which were delivered pan-UK as remote services to clients. This ongoing activity emphasised dock10's national importance as a broadcast critical facility. As the UK's Lockdown controls have eased the return of such programmes as Match of the Day and Who Wants To Be A Millionaire along with a growing pipeline of work, gives the Directors confidence that dock 10 is well placed to support the wider resumption of production in the Broadcast Media industry.

Covid-19 represents an ongoing risk to the company as the macroeconomic impact is not yet fully understood. The Directors will continue to monitor the situation.

# **dock 10 Limited**

## **Strategic report (continued)**

### **Cash flow and liquidity risk**

In support of its cash position the company has secured funding during 2020/21 from the UK Government's 'Coronavirus Large Business Interruption Loan' (CLBIL's) in the sum of £2.5m, through the Company's commercial lending bank. Security is given by way of a registered debenture on the Company's assets, secured by a fixed and floating charge. The loan is split into two separate facilities. One facility is for £1.3m and is repayable over 3 years (commencing in the year ending 31<sup>st</sup> March 2021). The second is for £1.2m and is a 'bullet' loan repayable 3 years from the date of drawdown, but no later than the year ending 31<sup>st</sup> March 2024.

### **Business risk**

The Company has taken significant steps to mitigate the incidence and impacts of its business risks by operating a robust risk management process, led by its Head of Risk Management. Risks and opportunities identified throughout the business are documented and assessed for their financial likelihood and impact. Procedures are then put in place to eradicate/minimise both.

Other areas of mitigation and management of risk include the recruitment, training and development of highly competent staff, a technical refresh programme which ensures that the Company's equipment and infrastructure is maintained to the best industry standards and a maintenance and monitoring regime to ensure its effective working.

### **Credit risk**

The Company's principal financial assets are bank balances and cash and trade receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event, which based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

In order to mitigate the credit risk, credit reports from Creditsafe are acquired for all new customers to assess their credit worthiness and aging of debtors is monitored on a regular basis, to identify any potential bad debts. Where necessary debts are passed to our legal representatives to ensure recovery.

Trade debtors days (using the count back method) have remained low at 27 days (2019: 26 days), reflecting the continued efficiency of the credit control processes.

Trade creditors and accruals as a percentage of turnover has been maintained at 12.7% (2019: 12.7%) which demonstrates the Company's commitment to paying its suppliers in a timely fashion. This is an important commitment by dock 10 as many of its suppliers are SME's and freelancers.

### **Innovation and development**

The Company is committed, through original development and collaborative innovation, to improve the quality of existing processes and to design and implement new ones.

### **Corporate social responsibility and s.172 statement**

The Company and its directors recognise that they have a responsibility not only to its employees, but also to the wider community within which they operate, as set out in section 172(1) of the Companies Act 2006. Community includes our colleagues, their families, customers, suppliers, local communities, our environment and our responsibility as a representative of our industry. The Company strives to be a socially responsible business in each area indicated and by fulfilling our duty of care, we aim to minimise our impact on the environment, support our communities and create a supportive inspiring work-place for our employees.

# **dock 10 Limited**

## **Strategic report (continued)**

### **Environmental**

The Company and its directors recognise their role by responding conscientiously in business to help minimise any adverse impact we may have on the environment. Positive steps are being taken to make a positive contribution to meeting global environmental challenges, such as climate change.

The main areas of focus which can be influenced directly include energy, waste management and transportation.

Using its ISO 50001 certificated energy management system, dock 10 continues to implement a wide-ranging programme of energy saving initiatives against a background of increasing headcount and utilisation. Electricity consumption in the year fell by 2%, with total energy consumption at 8.80GWh significantly lower than the peak annual energy consumption of 12.27 GWh, measured in October 2013, this represents an overall improvement of 28%.

The Company works with the BBC sustainability department and BAFTA to help productions complete their Albert+ submissions. This represents dock 10 Limited's commitment to managing environmental issues within the industry it exists.

### **Future outlook**

The 2020/21 financial year will continue to be a challenge to the UK economy. Through the Lockdown period dock 10 has focussed on preserving its business and talent base and anticipates that after a challenging first half to the year, the second half will show a picture of increasing trade. Thereafter, management anticipates that the business is likely to return to trading levels in line with its 'strategic growth plan'.

dock 10 Limited is focussed on continuing to work in partnership with its customers and suppliers to deliver excellent customer services and solutions.

As well as maintaining its preeminent position in the provision of large TV studios for entertainment shows, dock10 is also well placed to develop the market for virtual and augmented studios, following the successful launch of the Match of the Day virtual studio.

In post production dock10 successfully achieved Netflix accreditation during 2019/20 and in February 2020 was awarded Best Post Production House in the Broadcast Awards 2020 recognising its broad range of work. During Lockdown dock10 has continued to develop its remote post production services and is well positioned to serve a post-Covid-19 market.

During 2019/20 dock10 won a tender to provide Manchester Metropolitan University with a remote content management platform for audio visual content for its students and believes that further opportunities exist to provide clients with access to its infrastructure on a managed service basis.

During the year the business also delivered significant consultancy revenues and sees further opportunities for providing its expertise as operational and technical consultants particularly in the international market for new facilities.

The directors of the Company have acted in accordance with their duties as set out in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at Board level and throughout the Company. Issues, factors and stakeholders which the directors have considered when discharging their duty under section 172(1) are detailed throughout the annual reports.

At present the directors do not believe there will be any impact on the business from Brexit, but this situation will continue to be monitored in the forthcoming months.

# **dock 10 Limited**

## **Strategic report (continued)**

### **Going concern**

As disclosed in Note 2 to the financial statements in determining the basis of preparation for the financial statements, the directors have considered the Company's business activities together with the factors likely to affect its future development, performance and position. This includes an overview of the Company's financial position, its cash flows, liquidity position and available finance.

Taking account of possible changes in trading performance, the directors consider that the Company's forecasts and projections, including the impact of Covid-19 and its after-effects, show that the Company should be able to operate within its existing facilities for the foreseeable future. This is subject to the inherent risk of future uncertainty. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board and signed on its behalf on by:



Mark Senior  
Director  
dock 10 Limited  
Peel Dome, Intu Trafford Centre  
TraffordCity  
Manchester  
M17 8PL

# **dock 10 Limited**

## **Directors' report**

The directors present their Annual Report and the audited financial statements for the year ended 31<sup>st</sup> March 2020.

As permitted by s414c(11) of the Companies Act 2006, details of future outlook, post balance sheet events, business and financial review, KPI's, financial risk management objectives and policies and assessment of going concern are presented in the strategic report.

## **Results and dividends**

The retained profit for the financial year is £nil (2019: £0.4m) and has been transferred to reserves.

The directors do not recommend payment of a dividend (2019: £nil).

## **Directors**

The directors who served throughout the year and thereafter, except as noted below, were as follows:

M A Senior A.C.A  
S K Underwood A.C.A.  
J A Whalley  
M R Wall  
J P Whittaker  
N Lees A.C.I.S.

## **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

## **Charitable and political contributions**

During the year the Company did not make any charitable or political donations (2019: £nil).

## **Employee involvement**

We aim to create the optimum environment in which all our employees feel inspired and empowered and can perform to their best ability in jobs that they enjoy and excel at. We achieve this by providing them with varied learning experiences and challenges, and communicating with them effectively. Our structured leadership programme ensures our managers are equipped with the behaviours and skills to lead and develop their teams. Through regular reviews and feedback we support staff to develop to their full potential.

## **Disabled employees**

The Company complies with the requirements of the Disability Discrimination Act 1995. The Company gives full and fair consideration to applications for employment by disabled persons, having regard to their particular aptitude and abilities. Disabled employees have the same training and promotion opportunities as all employees.

Due to the nature of the facilities that the Company operates, full consideration is given to customers, suppliers and members of the public to ensure, as far as possible, compliance with all disability requirements are met.

## **Events after the balance sheet date**

It is likely that the impact of Covid-19 will continue to influence the performance of the business for the rest of the 2020/21 financial year. This along with pre-existing market factors led the Board to make the decision to close its 'Create@ dock10' business activity.

## **dock 10 Limited**

### **Directors' report (continued)**

#### **Auditor**

In accordance with section 487(2) of the Companies Act 2006, Deloitte LLP are deemed to have been reappointed as auditor of the Company.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf on 5th October 2020 by:



Mark Senior  
Director  
dock 10 Limited  
Peel Dome, Intu Trafford Centre  
TraffordCity  
Manchester  
M17 8PL



## **dock 10 Limited**

### **Directors' responsibilities statement**

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), including FRS 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 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

## **Independent auditor's report to the members of dock 10 Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of dock 10 Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

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).

#### **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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

#### **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 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 respect of these matters.

## **Independent auditor's report to the members of dock 10 Limited (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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.

### **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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

## **Independent auditor's report to the members of dock 10 Limited (continued)**

### **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.



Elizabeth Benson BSC ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester,  
United Kingdom  
5th October 2020

## dock 10 Limited

### Profit and loss account

for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	25,690	24,271
Cost of sales		(6,985)	(6,097)
<b>Gross profit</b>		<b>18,705</b>	<b>18,174</b>
Administrative expenses		(18,227)	(17,597)
<b>Operating profit</b>		<b>478</b>	<b>577</b>
Interest receivable and similar income	4	23	4
Interest payable and similar expenses	4	(61)	(59)
<b>Profit before taxation</b>	5	<b>440</b>	<b>522</b>
Tax on profit	8	(424)	(157)
<b>Profit for the financial year</b>		<b>16</b>	<b>365</b>

The above results were derived from continuing operations.

The Company did not make any recognised gains or losses in the current and prior year other than the profit after taxation. Accordingly, no separate statement of comprehensive income has been presented.

# dock 10 Limited

## Balance sheet

At 31 March 2020

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangible assets	9	213	414
Tangible assets	10	2,998	3,245
Investments	11	119	119
		<u>3,330</u>	<u>3,778</u>
<b>Current assets</b>			
Debtors	12	5,682	2,602
Cash at bank and in hand		2,260	2,817
		<u>7,942</u>	<u>5,419</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(6,731)</u>	<u>(5,543)</u>
<b>Net current assets/(liabilities)</b>		<u>1,211</u>	<u>(124)</u>
<b>Total assets less current liabilities</b>		<u>4,541</u>	<u>3,654</u>
<b>Creditors: amounts falling due after more one year</b>	14	<u>(1,262)</u>	<u>(391)</u>
<b>Net assets</b>		<u>3,279</u>	<u>3,263</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account		2,279	2,263
<b>Total shareholder's funds</b>		<u>3,279</u>	<u>3,263</u>

The financial statements of dock 10 Limited company number 07289237, were approved by the board of directors and authorised for issue on 5th October 2020.

The financial statements for dock 10 Limited were signed on its behalf by:



Mark Senior

Director

## dock 10 Limited

### Statement of changes in equity

For the year ended 31 March 2020

	Called up Share capital	Profit and loss account	Total
	£'000	£'000	£'000
As at 1 April 2018	1,000	1,898	2,898
Profit and total comprehensive income	-	365	365
At 1 April 2019	1,000	2,263	3,263
Profit and total comprehensive income	-	16	16
At 31 March 2020	1,000	2,279	3,279

# **dock 10 Limited**

## **Notes to the financial statements**

For the year ended 31 March 2020

### **1 General information**

dock 10 Limited is a private Company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales, with company registration number 07289237. The address of the registered office is Peel Dome, Intu Trafford Centre, TraffordCity, Manchester, M17 8PL.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

The functional currency of dock 10 Limited is considered to be pounds sterling, because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the requirements of the Companies Act 2006.

#### **Basis of preparation**

The financial statements have been prepared using the historical cost convention except where disclosed in the accounting policies certain items are shown at fair value.

dock 10 Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, dock 10 Limited is consolidated in the Financial Statements of its parent, Peel Media Studios Holdings Limited, which may be obtained at Peel Dome, Intu Trafford Centre, TraffordCity, Manchester, M17 8PL. Exemptions have been taken in relation to disclosures surrounding financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group accounts on the grounds that group accounts are prepared by the holding Company, Peel Media Studios Holdings Limited, details of which are included above. Edit19 Limited and 422.tv Limited have taken an exemption from audit by parent guarantee under s497A of the Companies Act 2006.

#### **Going concern**

In determining the basis of preparation for the financial statements, the directors have considered the Company's business activities including an overview of the Company's financial position, its cash flows, liquidity position and available finance.

The directors consider that the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of financing available from its shareholders for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



# **dock 10 Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 March 2020

### **2 Accounting policies (continued)**

#### **Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors have considered this and do not deem there are any key sources of estimation uncertainty applicable to the Company.

#### **Critical judgements in applying the Company's accounting policies**

The directors have considered whether critical judgements have been made in the process of applying the Company's accounting policies and have the most significant effect on the amounts recognised in financial statements. The directors do not consider there to be any critical judgements applied.

#### **Taxation**

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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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.

Unrelieved tax losses and other deferred tax assets are 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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 2 Accounting policies (continued)

#### Taxation (continued)

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis, unless another systematic and rational basis is more appropriate.

Rentals under operating leases for the lease of the Studio facilities are charged on a systematic and rational approach based on the profitability of the facilities.

#### Tangible fixed assets, depreciation and impairment

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements:	1-10 years
Plant and machinery:	4-15 years
Office and IT equipment:	3-5 years

Residual value is calculated on prices prevailing at the date of acquisition.

#### Turnover

Turnover is recognised at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Amounts received in advance from customers are deferred and recognised in the profit and loss, only once the service has been provided.

Interest income relates to interest receivable on bank balances.

#### Pensions

For the defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## **dock 10 Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 March 2020

## **2 Accounting policies (continued)**

### **Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

### **Financial assets and liabilities**

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### **Cash and cash equivalents**

Cash at bank and in hand 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.

### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 2 Accounting policies (continued)

#### Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 5 years. Provision is made for any impairment.

#### Investments

Investments in subsidiaries and associates are measured at cost less any provision for impairment.

### 3 Turnover

All revenue is generated from the UK and relates to the rendering of services to customers.

In the directors' opinion there is only one class of business, being the provision of equipment, facilities and services for use in television production.

### 4 Finance costs (net)

Interest receivable and similar income

	2020 £'000	2019 £'000
Bank interest receivable	6	4
Group Loan interest	17	-
	<b>23</b>	<b>4</b>

Interest payable and similar expenses

	2020 £'000	2019 £'000
Finance lease interest payable	(55)	(11)
Other interest payable	(6)	(11)
Group Loan interest	-	(37)
	<b>(61)</b>	<b>(59)</b>

### 5 Profit before taxation

Profit before taxation is stated after charging:

	2020 £'000	2019 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	28	23
Fees payable to the Company's auditor and their associates for other services – tax compliance	18	26
Amortisation of goodwill (note 9)	201	200
Depreciation of tangible assets (note 10):		
owned	1,232	1,313
held under finance leases	483	268
Loss on disposal of tangible fixed assets	-	74
Operating lease rentals:		
plant and machinery	14	15
other	841	999

Amortisation of intangible assets is included in administrative expenses.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 6 Staff numbers and costs

Aggregate remuneration (including directors' remuneration) comprised of:

	2020 £'000	2019 £'000
Wages and salaries	7,726	7,304
Social security costs	788	736
Other pension costs (see note 16)	377	329
	<hr/> 8,891	<hr/> 8,369

The average monthly number of employees (including two directors) was:

	2020 No.	2019 No.
Administrative staff	183	175

### 7 Directors' remuneration

Directors' remuneration	2020 £'000	2019 £'000
Emoluments	353	343
Sums paid to third parties in respect of directors' services	54	54
	<hr/> 407	<hr/> 397
 Remuneration of the highest paid director	 2020 £'000	 2019 £'000
Emoluments	332	324

No directors were members of a money purchase pension scheme (2019: nil).

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 8 Tax

#### (a) Tax on profit

The tax charge is made up as follows:

	2020 £'000	2019 £'000
<b>Current tax</b>		
UK corporation tax	369	264
Adjustment in respect of prior years	180	110
<b>Total current tax</b>	<b>549</b>	<b>374</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(226)	(47)
Adjustment in respect of prior years	150	(170)
Changes in tax rate	(49)	-
<b>Total deferred tax credit</b>	<b>(125)</b>	<b>(217)</b>
<b>Tax charge on profit</b>	<b>424</b>	<b>157</b>

#### (b) Factors affecting current tax charge

The differences between are reconciled below:

	2020 £'000	2019 £'000
Profit before tax	440	522
Tax on profit at standard UK corporation tax rate of 19% (2019: 19%)	84	99
Expenses not deductible for tax purposes	59	112
Deferred Tax effect of changes in statutory tax rates	(49)	-
Movement in short term timing differences	-	6
Adjustment in respect of prior years	330	(60)
<b>Total tax charge for the year</b>	<b>424</b>	<b>157</b>

The standard rate of tax applied to reported profit is 19% (2019: 19%). Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As this change was substantively enacted on 17 March 2020, deferred tax balances have been recognised at the rate of 19% in these accounts.

During the year commencing 1 April 2020 the net reversal of deferred tax assets/liabilities is not expected to increase/(decrease) the corporation tax charge for the year.

There is no expiry date on timing differences, unused tax losses or tax credits.

#### (c) Deferred Tax Asset

	£'000
At 1 April 2019	(570)
Deferred tax credit to profit and loss account	(125)
<b>At 31 March 2020</b>	<b>(695)</b>

## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2020

#### 8 Tax (continued)

##### (d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2020 £'000	2019 £'000
<b>Origination and reversal of temporary differences</b>		
- Short term trading differences	33	37
- Fixed asset timing differences	662	533
	<b>695</b>	<b>570</b>

The deferred tax asset which has been recognised represents the expected utilisation of the excess of capital allowances over depreciation over the next 3 years at a rate of 19%.

#### 9 Intangible fixed assets

<b>Cost:</b>	<b>Goodwill</b>
At 1 April 2019	£'000 1,002
	<hr/>
<b>At 31 March 2020</b>	<b>1,002</b>
	<hr/>
<b>Amortisation:</b>	<b>£'000</b>
At 1 April 2019	588
Charge for the year	201
	<hr/>
<b>At 31 March 2020</b>	<b>789</b>
	<hr/>
<b>Net book value:</b>	<b>£'000</b>
At 31 March 2020	213
	<hr/>
At 31 March 2019	414
	<hr/>

On the 1 November 2016 the Company purchased 100% of the shares in 422.tv Limited. On the 1 April 2017 business and assets of 422.tv Limited were hived up to dock 10 Limited.

On the 6<sup>th</sup> April 2016 the Company purchased 100% of the shares in Edit19 Limited and at the same date the business and assets of Edit19 Limited were hived up to dock 10 Limited.

The goodwill for the acquisition at the date of hive up is being amortised over its useful economic life, which is 5 years.

Both companies are wholly owned subsidiaries of dock 10 Limited. On 1<sup>st</sup> April 2017, the trade and assets of 422.tv were hived up and £638,000 was transferred to goodwill.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 10 Tangible fixed assets

	Leasehold improvements £'000	Plant and machinery £'000	Office and IT equipment £'000	Total £'000
<b>Cost:</b>				
As at 1 April 2019	1,688	8,244	1,548	11,480
Additions	112	1,171	185	1,468
<b>At 31 March 2020</b>	<b>1,800</b>	<b>9,415</b>	<b>1,733</b>	<b>12,948</b>
<b>Depreciation:</b>				
As at 1 April 2019	1,033	5,953	1,249	8,235
Charge for the year	301	1,235	179	1,715
<b>At 31 March 2020</b>	<b>1,334</b>	<b>7,188</b>	<b>1,428</b>	<b>9,950</b>
<b>Net book value:</b>				
<b>At 31 March 2020</b>	<b>466</b>	<b>2,227</b>	<b>305</b>	<b>2,998</b>
At 31 March 2019	655	2,291	299	3,245

Included within tangible fixed assets are assets held under finance leases with a net book value of £1,333,000 (2019: £447,000). The depreciation charge for the year against these assets was £483,000 (2019: £268,000).

### 11 Investments

#### Movements in investments in subsidiaries

<b>Cost and NBV:</b>	<b>£'000</b>
At 1 April 2019 and At 31 March 2020	<b>119</b>

	Country of incorporation	Share Holding*
<b>Subsidiary undertakings</b>		
Edit19 Limited ^	England and Wales	100%
422.tv Limited ^	England and Wales	100%

\*dock 10 Limited owns 100% of the shares in Edit19 Limited (1,000 ordinary shares of 10p each) and 100% of the shares in 422.tv Limited (10,500 ordinary shares of 0.01p each).

^For the year ended 31 March 2020 these subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

The registered office of both Edit19 Limited and 422.tv Limited is Peel Dome, Intu Trafford Centre, TraffordCity, Manchester, M17 8PL.



## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2020

#### 12 Debtors

##### Amounts falling due within one year:

	2020 £'000	2019 £'000
Trade debtors	1,855	1,451
Other debtors and prepayments	423	434
Amounts owed by Group undertakings	2,709	147
	<b>4,987</b>	<b>2,032</b>

##### Amounts falling due after more than one year:

Deferred tax asset (see note 8(c))	695	570
	<b>5,682</b>	<b>2,602</b>

Included within Amounts owed by Group undertakings is a loan of £2,668,000 to Peel Media Studios Limited which is repayable on demand, the interest rate on the loan is 2% above LIBOR. All other Amounts owed by Group undertakings are on standard trading terms of 30 days end of month and do not carry interest.

#### 13 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Obligations under finance leases	358	96
Trade creditors	436	300
Corporation tax	924	374
Other taxation and social security costs	950	780
Other creditors	66	57
Accruals	2,833	2,775
Loans from Parent undertaking	-	392
Amounts owed to related party undertakings	1,164	769
	<b>6,731</b>	<b>5,543</b>

Included in Loans from Parent undertaking are £nil (2019: £392,000) which carry interest of 2% above LIBOR. Amounts owed to Group undertakings are all on standard trading terms of 30 days end of month and do not carry interest.

# dock 10 Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2020

### 14 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Obligations under finance leases	1,262	391
	<b>1,262</b>	<b>391</b>

Borrowings are repayable as follows:

	2020 £'000	2019 £'000
<b>Obligations under finance leases</b>		
Due within one year	358	96
Between one and two years	376	101
Between two and five years	886	290
	<b>1,620</b>	<b>487</b>

The finance leases are secured against the fixed assets to which they relate.

### 15 Called up share capital

	No.	2020 £'000	No.	2019 £'000
Allotted, called up and fully paid ordinary shares of £1 each	1,000,000	1,000	1,000,000	1,000

The Company has one class of ordinary share, which carries no right to fixed income.

### 16 Retirement benefit schemes – Defined contribution scheme

The Company operates defined contribution retirement benefit scheme for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to the profit and loss account of £377,000 (2019: £329,000) represents contributions payable to the scheme by the Company at rates specified in the rules of the plans. As at 31 March 2020, contributions of £66,192 (2019: £57,100) due in respect of the current reporting year had not been paid over to the scheme.

## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2020

#### 17 Related party transactions

During the year, the Company was recharged operating costs from related parties as set out below:

	31 March 2020 £'000	31 March 2019 £'000
Peel Media Limited	248	136
Leep Holdings Utilities Limited	823	1,084
Peel Media Studios Limited	2,272	2,301
Peel Media Services Studios Limited	-	-
Peel Media Facilities Limited	385	379
Peel Management Limited	-	(4)
Peel Media Management Limited	52	73
Peel Entertainment Group Limited	-	-
Malcolm Wall Media	-	59
Peel Group Management Limited	56	28
Peel Land and Property Group Management Limited	16	12
Lowry Outlet Limited	-	6
Peel Outlets Facilities Limited	25	-
Utilities Services (MediaCityUK) Limited	509	-
<b>Total</b>	<b>4,386</b>	<b>4,074</b>

The following amounts were outstanding at year end and are included in creditors falling due within one year and accruals within note 13:

	31 March 2020 £'000	31 March 2019 £'000
Peel Media Limited	198	15
Leep Holdings Utilities Limited	131	115
Peel Media Studios Limited	585	387
Peel Media Services Studios Limited	-	-
Peel Media Facilities Limited	75	66
Peel Management Limited	-	2
Peel Media Management Limited	10	26
Edit19 Limited	93	93
422.tv Limited	67	67
Malcolm Wall Media	5	5
Peel Group Management Limited	-	(12)
Lowry Outlet Limited	-	5
<b>Total</b>	<b>1,164</b>	<b>769</b>

## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2020

#### 17 Related party transactions (continued)

During the year, the Company recharged operating costs to related parties as set out below:

	31 March 2020 £'000	31 March 2019 £'000
Peel Media Limited	2	32
Peel Leisure (Operations) Limited	18	18
Peel Media Studios Limited	29	8
Peel Media Hotels Limited	-	-
Peel Media Management Limited	14	51
Peel Media Facilities Limited	254	268
Peel Media Development Limited	1	1
Peel Media Services Studios Limited	33	33
422.tv Limited	-	78
Edit19 Limited	-	31
Leep Holdings Utilities Limited	16	1
Peel Investments North Limited	(11)	26
<b>Total</b>	<b>356</b>	<b>547</b>

All of the above companies are related parties. The companies are considered to be related parties of dock 10 Limited due to common directorships. Peel Media Studios Limited, Edit 19 Limited and 422.tv Limited are part of the same Group as dock 10 Limited and under the control of the same ultimate controlling party.

The following amounts were outstanding at year end and are included in trade debtors, other debtors and prepayments within note 12:

	31 March 2020 £'000	31 March 2019 £'000
Peel Media Limited	2	1
Peel Media Studios Limited	28	3
Peel Media Facilities Limited	-	-
Leep Holdings Utilities Limited	1	2
Peel Media Services Studios Limited	10	3
422.tv Limited	-	31
Edit19 Limited	-	78
Peel Investments North Limited	-	29
<b>Total</b>	<b>41</b>	<b>147</b>

All of the above companies are related parties. The companies are considered to be related parties of dock 10 Limited due to common directorships. Peel Media Studios Limited, Edit 19 Limited and 422.tv Limited are part of the same Group as dock 10 Limited and under the control of the same ultimate controlling party.

## dock 10 Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2020

## 18 Financial commitments

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

	2020		2019	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- within one year	166	16	41	9
- between two and five years	414	-	580	8
	<b>580</b>	<b>16</b>	<b>621</b>	<b>17</b>

The lease to The Studios facilities is due to expire in 2035. The rentals payable are charged based on the profitability of The Studio facilities. In the year ended 31 March 2020, the rent amounted to £717,000 (2019: £865,000).

## 19 Ultimate controlling party

The ultimate holding Company in the year ended 31 March 2020 was Tokenhouse Limited, a Company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement.

The largest group of companies, of which the Company is a member, that produces consolidated financial statements is Peel Holdings Group Limited, a Company incorporated in the Isle of Man, registered office Billown Mansion, Ballasalla, Malew, IM9 3DL, Isle of Man. The Financial Statements can be obtained from this address.

The smallest group of companies, of which the Company is a member, that produces consolidated financial statements, is Peel Media Studios Holdings Ltd, a Company incorporated in the England and Wales. Its group financial statements are available from the Company Secretary, Peel Dome, Intu Trafford Centre, TraffordCity Manchester, M17 8PL, which is its registered office. At the year ended 31 March 2020 dock 10 Limited was controlled by Peel Media Studios Limited.