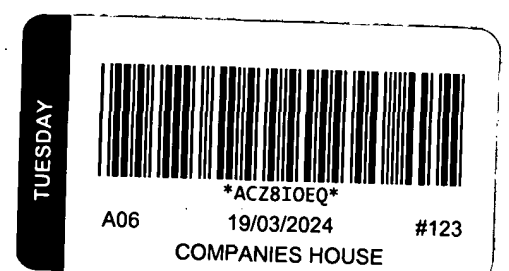


Company registration number 08442815 (England and Wales)

TIVERTON 2 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023



TIVERTON 2 LIMITED

COMPANY INFORMATION

Directors	R Allen-Turner R Aslett J Mowll G Perkins J Thoday J Taylor L Kennedy
Company number	08442815
Registered office	4a Exmoor Street London W10 5BD
Auditor	Deloitte LLP Statutory Auditor Abbots House Reading United Kingdom RG1 3BD
Bankers	The Royal Bank of Scotland PLC 62/63 Threadneedle Street PO Box 412 London United Kingdom EC2R 8LA

TIVERTON 2 LIMITED

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TIVERTON 2 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report and audited financial statements for the year ended 30 June 2023.

Review of the business

The Tiverton 2 group of companies are principally engaged in television production and promoting live comedy tours and one-off performances.

The consolidated group achieved a turnover of £99,101,177 (2022: £88,374,240) and delivered an operating profit of £7,772,432 (2022: £10,052,257). Although turnover increased 12% in the year over the group, profitability was impacted by an increase in lower margin revenue streams that were impacted by Covid previously, with overheads increasing in line with increased revenues.

The group has a net asset position of £15,847,710 (2022: £12,522,954).

The Tiverton 2 group has continued the successful strategy of developing and maximising strong brands, achieved by: working with some of the best creative talent in the entertainment business; nurturing and developing new ideas and properties both on-screen and on-stage; delivering a strong television production and live events schedule; retaining rights in TV programming; and by having a highly focused distribution team operating in the secondary TV market. This strategy requires a significant level of reinvestment of profits back into the creative process. The directors feel confident that the financial risks thereof are managed appropriately. We are proud to continue working with the talent that we do, and are extremely grateful to them and to all of our staff for all their hard work.

TIVERTON 2 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Principal risks and uncertainties

The principal risks faced by the company include competition from rival producers, the changing landscape of TV, retention and development of key talent, retention and exploitation of programming rights, competition from rival promoters in all markets and the cyclical nature of seasonal touring for our largest artists – i.e. having to schedule live performances around TV shows and other competing interests for our artists.

Key to the continued success of the Tiverton 2 group is its ability to secure commissions and re-commissions of its programmes. The group tracks ratings undertaking further audience and market research where necessary and responds to rating performance by adapting programmes where required. The group's creative relationships with third parties and key talent are important to the performance of the group. These relationships are closely managed on a day-to-day basis.

Foreign exchange transactional currency exposure

The group is exposed to currency exchange risk due to a proportion of its income and receivables as well as costs and liabilities being denominated in non-sterling currencies. This risk is mitigated by forecasting the group's foreign currency needs in advance, maintaining relationships with exchange bureaux that offer competitive rates and only retaining foreign currency reserves to the extent they are required to meet the groups future liabilities.

Credit risk

Whilst a large percentage of the group's programming is conducted with established broadcasters, there is still a risk of credit defaults. The group actively manages its contracts across all divisions and routinely monitors the status of receivables.

Liquidity risk

The group is subject to day-to-day working capital requirements, and has access to an overdraft and revolving credit facility primarily for working capital requirements. The directors consider the liquidity risk to be low considering the current and projected performance of the group and the groups significant cash balances.

Inflation and interest rates

The directors have considered the risks posed as a result of macro-economic factors such as inflation and rising interest rates. The group is not reliant on debt to fund its working capital and the majority of productions are cash flowed in advance by commissioning broadcasters, and as such rising interest rates are expected to have minimal impact on production profitability. Whilst inflation has had an impact on both the cost of production and the group's overhead, any increase has been and expected to be covered by negotiating increased fees which will allow us to maintain our margins.

As such the directors view of the principal risks faced by the group remain unchanged from the prior year and have concluded that the potential impact of those risks on the group is low.

Key performance indicators

The group's performance is managed by revenue type and division. Refer to note 3 for further information.

Key brands are constantly monitored and reviewed by tracking of financial performance, particularly in relation to revenues and gross margins; this is performed on a brand and revenue source basis. In the current year turnover has increased by 12.1% to £99.1m (2022: £88.4m) however the gross profit margin has decreased to 22.7% (2021: 24.9%) due to increased live revenue streams that have a lower gross profit margin. The increase in turnover was mainly due to increased secondary sales, higher revenue on recommissioned productions as well as an increase in tour and other stand up income.

TIVERTON 2 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Section 172 Statement

The Board of directors who have served during the year and up to the date of signing these financial statements are listed on page 7. The directors are aware of their duty under section 172(1) of the Companies Act 2006.

The directors consider that during the year ended 30 June 2023, that they have individually and collectively acted in a way which they consider, in good faith, would most likely promote the long-term success of the group and benefit its stakeholders.

This assessment was made with reference to the following criteria:

The long-term consequences of decisions made

The directors have continued to build on long term sustained growth by nurturing and developing new ideas and properties both on-screen and on-stage; delivering a strong television production and live events slate; retaining rights in TV programming; and by having a highly focused distribution team operating in the secondary TV market. This strategy requires high level of investment, which has historically proven to deliver long term improvements in the group's performance. The directors feel confident that the financial risks thereof are managed appropriately, whilst diversifying risk by maintaining IP rights to TV productions which ensure steady cashflow through our distribution channel.

The directors have focused on recent years on the changing media landscape, particularly on how media is consumed; historically being only linear programming, to the increasing demand for non-linear content. By engaging with streaming services early on and delivering distribution content, directors were able to form relationships such that the group were being commissioned content that was exclusive to these platforms.

The Board regularly look at long term growth of the group and how this can be achieved through acquisitions that support the business ambitions and goals as well as diversifying the brand base.

The Company's employees

The Board provide regular training programmes to employees such as management training in the interest of developing employee skills and cohesion amongst departments. As well as internal training programmes the directors provide financial support for employees to undertake professional qualifications and gain professional accreditation.

The Board aim for internal promotion where possible which is evidenced through a long history of development of junior staff to senior management and long service. This ensures directors gain insight into all operation levels of the business through these long-standing relationships.

The Board are always looking to encourage engagement and conduct regular all-staff engagement survey on key topics. Off the back of feedback from survey's, town hall meetings have been implemented which enable directors to ensure staff are informed of new projects, growth and goals, as well as to address any issues off the back of survey's conducted. Engagement is further developed through TV screenings and development lunches that ensure employees have a direct channel to the directors.

TIVERTON 2 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Section 172 Statement (continued)

Business relationships with customers and suppliers

The directors have long standing relationships with major UK & US broadcasters and a global distribution network for which we create television programmes and maintain these relationships by delivering high standards of content which has led to recommissions of many of our programmes.

The directors regularly attend trade fairs such as MIPCOM in order to build new client relationships and service existing ones. These events not only show presence in the industry but also engagement with customers to ensure we are aligning our business strategy to their needs.

The Board have controls in place to ensure suppliers are engaged with what we do as a business and also that we are able to maintain long standing relationships that are mutually beneficial. On choosing suppliers a procurement process is undertaken in which market reviews are analysed, quotes and references obtained. directors agree terms with suppliers up front which includes payment terms and a relevant service contract. These supplier relationships are then maintained by making introductions to employees who they will engage with, conducting regular review meetings and endeavouring to meet at regular intervals. The Board give regular feedback to suppliers and listen to corresponding feedback in order to maintain good working relationships.

Our community and the environment

The Board understand the importance of community engagement and have implemented a number of programmes aimed at reaching younger people in the local area, with the aim of engaging them in media career opportunities that often wouldn't be available to them. These programmes include a voluntary reading programme to primary school children and working with a local charity to put on a virtual work week programme with schools in the local area.

The directors are committed to minimising environmental impact and actively encourage new initiatives to reduce waste to lead to a more sustainable environment in and out of the workplace. The directors implemented an environmental policy, looking to reduce office plastics by issuing staff members with metal reusable water bottles and removing single use plastic cups. Plastic bottles of water in meeting rooms and kitchens have also been replaced with reusable glass bottles for meeting rooms.

The group operates in the heart of West London, which has a diverse heritage of cultures within our local community. The directors have also implemented a diversity and inclusion taskforce working on several initiatives as well as introducing sensitivity and unconscious bias training as part of effort to promote culture, respect and inclusion in the workforce. The virtual sessions will encourage a company culture that helps to dissolve many barriers to the media industry that is felt from people within our community from Black, Asian and Minority Ethnic backgrounds, who are currently under-represented.

The group is an equal opportunities employer and is committed to eliminating discrimination and encouraging diversity amongst our workforce. Our aim is that our workforce will be truly representative of all sections of society and each employee feels respected and able to give of their best. As such the Board have reviewed recruitment practises and engaged recruitment partners that represent candidates who are underrepresented.

TIVERTON 2 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Section 172 Statement (continued)

Maintaining high standards of business conduct

The Board always intends to operate in a responsible manner, having a good set of policies and procedures that underpin its corporate governance. These include:

i. Authorised signatories

The Board have a delegated authorised signatory process to ensure that heads of department and management are able to make day to day operational decisions which are communicated back to the board through regular meetings. This not only ensures that delegation is assigned to the stakeholder on smaller operational decisions, but also the process is designed to engage the board with bigger decisions that require board sign off.

ii. Anti- Bribery Policy

The Board have a zero-tolerance stance in relation to bribery and corruption and have a clearly defined policy to provide information and guidance to those who work for the group, enabling them to recognise and deal with bribery and corruption issues. The group maintain accurate and transparent financial records and documentation of all gifts and payments given or received. The policy is regularly monitored by the Board, to insure accuracy and effectiveness.

iii. Whistleblowing

The Board are committed to protect employees who blow the whistle on criminal behaviour or other wrongdoing from victimisation or dismissal. As such the group have a whistleblowing policy in line with The Public Interest Disclosure Act 1998, and actively encourage employees to keep directors or other key personnel informed of their concerns

iv. Anti-slavery

The Board have a zero-tolerance approach to modern slavery, human trafficking and all forms of exploitation in any part of the groups business and operation activities or supply chain. The group are consciously committed to implementing controls and systems to ensure that exploitation of any form is not taking place.

The directors align its company culture with its values of operating in a diverse and inclusive environment that adheres to good working practices and the highest level of conduct by themselves and their employees.

In considering stakeholders the Board discuss and review their needs during quarterly board meetings along with how current policies and procedures fit with delivering good corporate governance that meets the needs of stakeholders.

The Board aims to treat all external stakeholders fairly and to engage in a collaborative fashion, as they are an integral key to successfully delivering corporate and strategic objectives across the group.

TIVERTON 2 LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Section 172 Statement (continued)

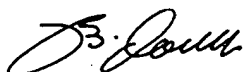
Fair dealing between members

All of our shareholders are members of the Board and are included in decision makings that impact the group. The Board regularly meet to discuss performance metrics and financials are communicated to shareholders through Annual General Meetings.

The Board are committed to the vision and strategy of the group while looking to maximise shareholder value, and as such receive and review the following in order to make informed decisions:

- Brand analysis and financial performance figures against budget
- Growth trajectories alongside historical performance
- Legal reviews of business matters
- Operations update including health, safety and compliance information
- Investment and acquisition plans

Approved by the Board and signed on its behalf by:



J Mowll
Director

11 March 2024

TIVERTON 2 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Results and dividends

The results for the year are set out on page 13.

A dividend of £3,488,557 was declared and paid from Tiverton 2 in November 2022 (2022: £Nil). On 3 July 2023 a further dividend of £9,000,000 representing £9.52 per share was declared to A shareholders.

Directors

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

R Allen-Turner
R Aslett
J Mowll
G Perkins
J Thoday
J Taylor
L Kennedy

Financial risk management

The financial risks are outlined within the principal risks and uncertainties section of the strategic report.

Engagement with suppliers, customers and other stakeholders

The directors acknowledge their responsibilities and duties in consideration of shareholders and stakeholders in decision making. Details of how the Board complied with Section 172 are set out on page 3 in the Strategic Report.

Future developments

The directors are not aware of any trends or factors, considering the impact of rising inflation, interest rates and resources, which are likely to have significant impact on the future development, performance and position of the company's business. The group continue to develop and produce TV productions that are commissioned and sold internationally.

Auditor

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves 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.

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Energy and carbon report

The group are exempt from carbon reporting requirements as the subsidiary companies and parent company each consumed less than 40,000kWh and therefore do not meet the threshold for disclosure.

TIVERTON 2 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 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 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the note 1 of the financial statements.

Post balance sheet events

A dividend was paid and declared post year end, please see above for further detail. There have been no other significant events affecting the group or company since the year end.

Approved by the Board and signed on its behalf by:



J Mowll
Director

11 March 2024

TIVERTON 2 LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TIVERTON 2 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Tiverton 2 Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2023 and of the group's 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 group statement of comprehensive income;
- the group and parent company balance sheets;
- the group and parent company statements of changes in equity;
- the group statement of cash flows; and
- the related notes 1 to 28.

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 group and the parent 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

TIVERTON 2 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TIVERTON 2 LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 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.

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

TIVERTON 2 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TIVERTON 2 LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, Tax Legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the GDPR and the Bribery Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- We identified a fraud risk in relation to revenue recognition, specifically around inappropriate cut-off. To address this risk we tested journals impacting revenue cut-off and performed detailed testing of revenue transactions recognised around the year end to assess whether they had been appropriately recorded in the correct financial year.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

TIVERTON 2 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TIVERTON 2 LIMITED

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 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.

We have nothing to report in respect of these matters.

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.



Nicki Pickering FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP

Statutory Auditor
Reading, United Kingdom

Date: 14 March 2024

TIVERTON 2 LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Turnover	3	99,101,177	88,374,240
Cost of sales		(75,904,244)	(66,358,627)
Gross profit		23,196,933	22,015,613
Administrative expenses		(15,432,296)	(11,963,356)
Other operating income		7,795	-
Operating profit	4	7,772,432	10,052,257
Interest receivable and similar income	8	1,638	468
Interest payable and similar expenses	9	(54,075)	(56,096)
Profit before taxation		7,719,995	9,996,629
Tax charge	10	(906,682)	(1,045,122)
Profit for the financial year	23	6,813,313	8,951,507

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There is no other comprehensive income and therefore the combined statement has been shown on this page.

TIVERTON 2 LIMITED


CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		129,521		80,336
Current assets					
Debtors	17	72,280,052		57,039,373	
Cash at bank and in hand		23,274,172		18,946,527	
		95,554,224		75,985,900	
Creditors: amounts falling due within one year	18	(79,836,035)		(63,543,282)	
Net current assets			15,718,189		12,442,618
Total assets less current liabilities			15,847,710		12,522,954
Net assets			15,847,710		12,522,954
Capital and reserves					
Called up share capital	21		10,090		10,090
Share premium account	22		8,077		8,077
Merger reserve			(2,128,523)		(2,128,523)
Profit and loss account	23		17,958,066		14,633,310
Total equity			15,847,710		12,522,954

The notes on pages 19 to 38 form part of these financial statements.

The financial statements of Tiverton 2 Limited (08442815) were approved by the board of directors and authorised for issue on 11 March 2024 and are signed on its behalf by:



J Mowll
Director

TIVERTON 2 LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	14		9,491,602		9,491,602
Current assets					
Debtors	17	5,130,032		2,802,244	
Cash at bank and in hand		806,542		-	
		5,936,574		2,802,244	
Creditors: amounts falling due within one year	18	(15,388,581)		(12,282,790)	
Net current liabilities			(9,452,007)		(9,480,546)
Total assets less current liabilities			39,595		11,056
Net assets			39,595		11,056
Capital and reserves					
Called up share capital	21		10,090		10,090
Share premium account	22		8,077		8,077
Profit and loss account	23		21,428		(7,111)
Total equity			39,595		11,056

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the company profit and loss account. The company's profit for the year was £3,517,096 (2022: loss £98,159).

The financial statements were approved by the board of directors and authorised for issue on 11 March 2024 and are signed on its behalf by:



J Mowll
Director

Company registration number 08442815 (England and Wales)

TIVERTON 2 LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Share capital £	Share premium account £	Merger reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2021		10,090	8,077	(2,128,523)	5,681,803	3,571,447
Year ended 30 June 2022:						
Profit and total comprehensive income		-	-	-	8,951,507	8,951,507
Balance at 30 June 2022		10,090	8,077	(2,128,523)	14,633,310	12,522,954
Year ended 30 June 2023:						
Profit and total comprehensive income		-	-	-	6,813,313	6,813,313
Dividends	11	-	-	-	(3,488,557)	(3,488,557)
Balance at 30 June 2023		10,090	8,077	(2,128,523)	17,958,066	15,847,710

TIVERTON 2 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 July 2021		10,090	8,077	91,048	109,215
Year ended 30 June 2022:					
Loss and total comprehensive income for the year		-	-	(98,159)	(98,159)
Balance at 30 June 2022		10,090	8,077	(7,111)	11,056
Year ended 30 June 2023:					
Profit and total comprehensive income		-	-	3,517,096	3,517,096
Dividends	11	-	-	(3,488,557)	(3,488,557)
Balance at 30 June 2023		10,090	8,077	21,428	39,595

TIVERTON 2 LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	27	7,218,315	15,239,976
Investing activities			
Purchase of tangible fixed assets		(82,174)	(31,143)
Interest received		1,638	468
Net cash used in investing activities		(80,536)	(30,675)
Financing activities			
Dividends paid to equity shareholders		(2,988,557)	-
Net cash used in financing activities		(2,988,557)	-
Net increase in cash and cash equivalents		4,149,222	15,209,301
Cash and cash equivalents at beginning of year		17,617,404	2,285,221
Effect of foreign exchange rates		-	122,882
Cash and cash equivalents at end of year		21,766,626	17,617,404
Relating to:			
Cash at bank and in hand		23,274,172	18,946,527
Bank overdrafts included in creditors payable within one year		(1,507,546)	(1,329,123)

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Tiverton 2 Limited ("the company") and its subsidiaries (together "the group") are principally engaged in television production and promoting live comedy tours and one-off performances in the UK. Tiverton 2 ("the company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 4a Exmoor Street, London, W10 5BD.

The group consists of Tiverton 2 and all of its subsidiaries included in note 15.

1.1 Statement of compliance

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on a going concern basis, under the historical cost convention. The principal accounting policies adopted are set out below.

Tiverton 2 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 to the financial statements. The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and consolidated statement of cash flows, included in these financial statements, includes the company's cash flows; and
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 as the information is provided in the consolidated financial statement disclosures.

1.2 Summary of significant accounting policies

(a) Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 30 June 2023.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

(b) Going concern

The group's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The group continues to be profitable as shown in the consolidated profit and loss account for the year ended 30 June 2023, and the group's forecast and projections indicate the group will continue to be profitable and cashflow positive throughout the current financial year and beyond. In reaching their decision to prepare the financial statements on a going concern basis, the directors considered the impact of the current economic climate on both the company and the group of which it is a member, as well as the following areas:

- In general the group is cash positive, cash generative, profitable and has net current assets;
- The group derives most of its revenues from television production and distribution of television content. The television production business requires some prefunding of productions, however we have significant cash reserves available (£23.1m as at 30 June 2023) to ensure funding for the foreseeable future.
- The group has access to £10m of funding from its revolving credit facility which is currently undrawn, that could be used to fund the working capital needs of the business;
- The group has a number of TV productions on its slate that are already contracted beyond the 12 month assessment window;
- The group is closely linked to the Martinhoe Holdings Limited group with shared directors and shared ultimate control. Where necessary cash can be moved between the groups to maintain necessary levels of working capital within each;
- The brand names represented in the group are all considered strong within the industry, representing both leading talent and producing successful television productions;
- The group also maintains the ability to reduce both its payroll and property costs in line with any fluctuations in business. Staffing levels are dependent and linked to ongoing productions. Bonus payments are in the most part discretionary, whilst contractual bonus payments are directly linked to profitability and hence are reduced in times of reduced profitability. The UK property is managed on a modular basis allowing reductions in floor space and costs if necessary.
- The group is currently in a net current asset position of £15,718,189 (2022: £12,442,618).
- The company is currently in a net asset position of £39,595 (2022: £11,056)

In addition to these factors, specific consideration has been made with respect to how future increases to inflation and interest rates might impact the economy, but also the ability of the group to trade and hence derive profits and cash.

Having given due consideration to the anticipated future performance of the company the directors have been able to form a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

(c) Foreign currency

(i) Functional and presentation currency

The group financial statements are presented in pounds sterling. The company's functional and presentation currency is the pound sterling.

(ii) 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(d) Turnover

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

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

Turnover and costs are recognised by the different divisions as follows:

Turnover and related costs on television productions are recognised as production activity progresses to reflect the proportion of work carried out during the year. Profit is recognised once the total outcome can be assessed with reasonable certainty;

Distribution turnover and related costs are recognised when a contractual arrangement is in place and the underlying programme is delivered; and

Promotions turnover and related costs are recognised on the activity date of the performance.

(e) Interest

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

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold improvements	straight-line over 4 years
Production equipment	straight-line over 4 years
Motor vehicles	straight-line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.4 Investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value. In the company balance sheet, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Basic financial liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.7 Equity instruments

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

1.8 Related party transactions

The group discloses transactions with related parties which are not wholly-owned within the same group. Related Party transactions were made on terms equivalent to those that prevail in arm's length transactions.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Tax credits in relation to High-End Television Tax Relief, where successfully applied for, are included within cost of sales.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Deferred tax

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

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

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

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

1.10 Retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The assets of the plan are held separately from the group in an independently administered fund.

1.11 Finance costs

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

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the opinion of the directors there were no critical accounting judgments when applying the group or company's accounting policies or key sources of estimation uncertainty identified when preparing the financial statements.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
Creation and exploitation of television content	86,696,477	76,482,745
Tour promotion	12,404,700	11,891,495
	<u>99,101,177</u>	<u>88,374,240</u>
	2023 £	2022 £
Turnover analysed by geographical market		
UK	67,503,141	61,498,411
Rest of world	31,598,036	26,875,829
	<u>99,101,177</u>	<u>88,374,240</u>

4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	134,116	(378,064)
Research and development costs	80,189	39,715
Depreciation of owned tangible fixed assets	32,989	30,232
Operating lease charges	37,225	24,750
	<u></u>	<u></u>

5 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	49,250	65,000
Audit of the financial statements of related parties	94,418	70,000
	<u></u>	<u></u>
For all other services	<u>96,486</u>	<u>42,859</u>

Fees for other services are comprised of tax compliance services £19,200 (2022: £18,200), tax advisory services £Nil (2022: £1,500) and fees for services to related parties £77,286 (2022: £23,159).

Fees for services to related parties relate to services provided to the Martinhoe Holdings Limited group, who share the same ultimate shareholders as Tiverton 2 Limited (see note 25).

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

6 Employees

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

	2023 Number	2022 Number
Directors	10	6
Distribution	4	3
Promotion	23	19
Television production	32	31
Total	69	59

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	6,126,426	5,267,611
Social security costs	681,011	584,326
Pension costs	117,026	96,409
	6,924,463	5,948,346

The parent company had 0 (2022: 0) employees during the year.

7 Directors' remuneration

The directors for Tiverton 2 Limited are the same directors for Martinhoe Holdings Limited, a related company. The remuneration for their role as directors is paid through Martinhoe group and it is not possible to determine the level of this remuneration that relates to Tiverton 2 group. The total remuneration (inclusive of pension contributions) received by the directors for their role at both Tiverton 2 group and Martinhoe group was £5,613,109 (2022: £4,569,768).

Compensation to key management

Compensation to key management is as follows

	2023 £	2022 £
Remuneration for qualifying services	972,451	1,290,683
Company pension contributions to defined contribution schemes	22,033	19,864
	994,484	1,310,547

The number of key management for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022: 5).

Key management personnel are employees that have significant influence, such as directors of subsidiaries that are not directors of the group.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	1,638	468
	<u>1,638</u>	<u>468</u>

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	54,075	56,096
	<u>54,075</u>	<u>56,096</u>

10 Taxation

	2023	2022
	£	£
(a) Tax expense included in profit and loss		
Current tax		
UK corporation tax on profits for the current period	909,525	1,043,715
	<u>909,525</u>	<u>1,043,715</u>
Deferred tax		
Origination and reversal of timing differences	(2,843)	1,407
	<u>(2,843)</u>	<u>1,407</u>
Total deferred tax	<u>(2,843)</u>	<u>1,407</u>
Total tax charge	<u>906,682</u>	<u>1,045,122</u>

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

(b) Reconciliation of tax charge

	2023 £	2022 £
Profit before taxation	7,719,995	9,996,629
Expected tax charge based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	1,582,282	1,899,360
Tax effect of expenses that are not deductible in determining taxable profit	42,970	3,986
Tax effect of income not taxable in determining taxable profit	(582,003)	(856,180)
Adjustments in respect of prior years	-	15
Permanent capital allowances in excess of depreciation	(22,675)	(7,826)
Depreciation on assets not qualifying for tax allowances	6,796	5,744
Other non-reversing timing differences	(110,652)	-
Other permanent differences	-	23
Other tax adjustments (including foreign tax)	(10,036)	-
Taxation charge	906,682	1,045,122

(c) Tax rate changes

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

The increased tax rate implemented in the year has led to a 1.5% increased tax cost on profits for the group.

11 Dividends

	2023	2022
Dividend to A shareholders of £3.69 (2022: £Nil) per share	3,488,557	-

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 July 2022 and 30 June 2023	5,700,273
Amortisation	
At 1 July 2022 and 30 June 2023	5,700,273
Carrying amount	
At 30 June 2023	-
At 30 June 2022	-

The company had no other intangible fixed assets at 30 June 2023 or 30 June 2022.

13 Tangible fixed assets

Group	Leasehold improvements £	Production equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2022	11,794	604,830	45,987	662,611
Additions	-	82,174	-	82,174
Disposals	-	(24,139)	-	(24,139)
At 30 June 2023	11,794	662,865	45,987	720,646
Depreciation and impairment				
At 1 July 2022	10,110	534,674	37,491	582,275
Depreciation charged in the year	647	30,218	2,124	32,989
Eliminated in respect of disposals	-	(24,139)	-	(24,139)
At 30 June 2023	10,757	540,753	39,615	591,125
Carrying amount				
At 30 June 2023	1,037	122,112	6,372	129,521
At 30 June 2022	1,684	70,156	8,496	80,336

The company had no tangible fixed assets at 30 June 2023 or 30 June 2022.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

14 Fixed asset investments

	Note	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	9,491,602	9,491,602

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

15 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of	% Held
			shares held	Direct
Tiverton Holdings Limited + 08119354	UK	Intermediary holding company	Ordinary Shares	100.00
Avalon Entertainment Limited* + 05991699	UK	Intermediary holding company	Ordinary Shares	100.00
Avalon Promotions Limited* + 02475367	UK	Provision of services to performers	Ordinary Shares	100.00
Funnyfriend Limited* + 03039621	UK	Provision of services to performers	Ordinary Shares	100.00
Avalon Motion Pictures Limited* + 04285611	UK	TV Production	Ordinary Shares	100.00
Avalon Television Limited* + 02856604	UK	TV Production	Ordinary Shares	100.00
Tinderbox Television Limited* + 05278958	UK	TV Production	Ordinary Shares	100.00
Avalon Distribution Limited* + 06641887	UK	TV Distribution	Ordinary Shares	100.00
Avalon Factual Limited* + 07923558	UK	TV Production	Ordinary Shares	100.00
Flame Television Production Limited* + 03863614	UK	TV Production	Ordinary Shares	100.00
Liberty Bell Productions Limited* + 04454622	UK	TV Production	Ordinary Shares	100.00
Topical Television Limited* + 02657408	UK	TV Production	Ordinary Shares	100.00
Half Inch Recordings Limited* 05021050	UK	Dormant	Ordinary Shares	100.00
JSTO Touring Limited* 05412136	UK	Dormant	Ordinary Shares	100.00
JSTO Limited* 04425397	UK	Dormant	Ordinary Shares	100.00
TV Recordings Limited* 04168101	UK	Dormant	Ordinary Shares	100.00
Cliffcouch Limited* 05865389	UK	Dormant	Ordinary Shares	100.00
Avalon SI Productions Limited* 05319921	UK	TV Production	Ordinary Shares	100.00
Brightwater Productions Limited* 03890352	UK	Dormant	Ordinary Shares	100.00
Sketch Productions Limited* 05164675	UK	Dormant	Ordinary Shares	100.00
God That's Brilliant Limited* 14038855	UK	Provision of services to performers	Ordinary Shares	100.00
Spitting Image Live Limited* + 14218200	UK	Provision of services to performers	Ordinary Shares	100.00

*Indirect holding

+ These non-dormant companies have elected to make use of the audit exemption. Under section 479A of the Companies Act 2006, in order to fulfil the conditions set out in the regulations, the company has given statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at the end of the financial year.

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

Guarantees

The company will guarantee the debts and liabilities of its UK subsidiaries at the reporting date in accordance with section 479C of the Companies Act 2006. The company has assessed the probability of loss under these guarantees as remote.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

16 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
Carrying amount of financial assets				
Equity instruments measured at cost less impairment	-	-	9,491,602	9,491,602
Debt instruments measured undiscounted amounts receivable	44,234,028	55,686,555	5,049,105	2,802,244
Carrying amount of financial liabilities				
Measured at cost	63,157,688	48,918,119	15,388,581	12,282,790

Financial assets measured at undiscounted amounts comprise of trade debtors, other debtors, amounts owed by related parties, and accrued income.

Financial liabilities measured at cost comprise of trade creditors, other creditors, accruals and amounts owed to related parties.

17 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	11,258,577	6,966,818	-	1
Withholding tax	911,944	629,340	-	-
Amounts owed by group undertakings	-	-	1,763,612	2,792,241
Amounts owed by related parties	8,132,387	9,300,060	1,275,471	-
Other debtors	3,391,197	234,085	2,010,022	10,002
Accrued income	21,451,867	21,768,905	-	-
Prepayments	27,119,198	18,128,126	80,927	-
	72,265,170	57,027,334	5,130,032	2,802,244
Deferred tax asset (note 19)	14,882	12,039	-	-
	72,280,052	57,039,373	5,130,032	2,802,244

Amounts owed by group undertakings and related parties are unsecured, interest free, have no fixed payment date and are repayable on demand.

Included in other debtors are recoupable deficits on TV productions.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

18 Creditors: amounts falling due within one year

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	1,507,546	1,329,123	-	33,680
Trade creditors	1,565,577	1,232,754	-	-
Amounts owed to group undertakings	-	-	13,999,527	11,999,527
Amounts owed to undertakings in which the group has a participating interest	3,341,275	1,691,853	1,320,304	145,251
Corporation tax payable	974,769	279,963	-	-
Other taxation and social security	2,230,364	2,146,047	-	-
Deferred income	13,473,214	12,199,209	-	-
Other creditors	2,004,940	25,146	-	-
Accruals	54,738,350	44,639,187	68,750	104,332
	<u>79,836,035</u>	<u>63,543,282</u>	<u>15,388,581</u>	<u>12,282,790</u>

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

Amounts owed to group undertakings and related parties are unsecured, interest free, have no fixed payment date and are repayable on demand.

There are no other amounts disclosed within this note that are secured.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets 2023 £	Assets 2022 £
Group		
Decelerated capital allowances	<u>14,882</u>	<u>12,039</u>

The company has no deferred tax assets or liabilities.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

19 Deferred taxation

(Continued)

	Group 2023 £	Company 2023 £
Movements in the year:		
Asset at 1 July 2022	12,039	-
Credit to profit or loss	(2,131)	-
Effect of change in tax rate - profit or loss	4,974	-
Asset at 30 June 2023	<u>14,882</u>	<u>-</u>

20 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>117,026</u>	<u>96,409</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

Group and company	2023	2022
Ordinary share capital	£	£
Issued and fully paid		
945,200 ordinary A shares of 1p each	9,452	9,452
45,000 ordinary B shares of 1p each	450	450
10,000 ordinary D shares of 1p each	100	100
10,103 ordinary E shares of 0.001p each	10	10
78,058 ordinary Z shares of 0.001p each	78	78
	<u>10,090</u>	<u>10,090</u>

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

21 Share capital

(Continued)

The rights in relation to the different classes of shares are as follows:

Capital

On return of assets on a liquidation or a winding-up, reduction of capital, or otherwise the assets of the company remaining after payment of such of its liabilities as it is necessary to discharge to effect the distribution ("Net Proceeds") shall be distributed as follows:

- to each of the holders of the A Shares and the B Shares in proportion to the number of A Shares or B Shares held by them respectively up to the amount of the E Threshold Value;
- thereafter, the balance of the Net Proceeds, if any, shall be distributed to each of the holders of the A Shares, the B Shares and the E Shares in proportion to the number of A Shares, B Shares or E Shares held by them respectively up to the amount of the D Threshold Value;
- thereafter, the balance of the Net Proceeds, if any, shall be distributed to each of the holders of the A Shares, the B Shares, the D Shares and the E Shares in proportion to the number of A Shares, B Shares, D Shares or E Shares held by them respectively

If the Exit Price per Share is greater than the Z Share Starting Price (the amount of such excess being the "Z Share Growth Amount"), there shall be distributed to the Z Shareholder an amount equal to the Z Share Growth Amount per Z Share held and the amount of the Net Proceeds which would otherwise have been distributed to the holders of the A Shares, the B Shares, the D Shares and the E Shares pursuant to above shall be reduced accordingly.

A D Shareholder or E Shareholder shall not be entitled to receive any sale proceeds in respect of any of his D Shares or E Shares which are Unvested Shares. In the event of a Sale, the proceeds of such sale shall be distributed between the Selling Shareholders in the manner set out above as if the same constituted a liquidation of the company.

Voting in General Meetings

The holders of the A Shares shall be entitled to receive notice of and to attend and vote at general meetings of the company; every holder of A Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote on a show of hands and on a poll every holder of A Shares so present shall have one vote for each A Share held by him.

The holders of all other Shares shall not be entitled to receive notice of, nor to attend or vote at general meetings of the company.

Income

No dividend shall be payable on any Shares in respect of any financial period of the company unless there are sufficient profits of the company available for distribution.

The A Shares, the B Shares, D Shares and the E Shares shall be treated as separate classes of Shares for the purposes of all distributions and accordingly the company or the Board (as the case may be, as required pursuant to the Companies Act) shall not be under any obligation to make any distribution to one class of Shares if it makes a distribution to another class of Shares, nor shall the company or the Board be under any obligation to pay the same amount by way of dividend on each class of Shares and any distribution shall be treated as separate classes of Shares.

Any distribution payable to the holders of the B Shares, D Shares, E Shares or the Z Shares shall not be paid in respect of any Unvested Shares.

Merger reserves

Merger reserves are a direct result of the last group reconstruction of Martinhoe Limited and Tiverton 2 Limited in March 2013. The group reconstruction was accounted for using merger accounting principles since the new shareholders of the company are the same as the former shareholders and the rights of each shareholder, relative to the others, are unchanged.

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

22 Share premium account

	Group 2023 £	2022 £	Company 2023 £	2022 £
At the beginning and end of the year	8,077	8,077	8,077	8,077

23 Profit and loss reserves

	Group 2023 £	2022 £	Company 2023 £	2022 £
At the beginning of the year	14,633,310	5,681,803	(7,111)	91,048
Profit/(loss) for the year	6,813,313	8,951,507	3,517,096	(98,159)
Dividends	(3,488,557)	-	(3,488,557)	-
At the end of the year	17,958,066	14,633,310	21,428	(7,111)

24 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	-	24,750	-	-
	-	24,750	-	-

25 Related party transactions

Transactions with related parties

During the year, Tiverton 2 Limited group companies entered into transactions and arrangements on normal commercial terms with Martinhoe Holdings Limited which shared the same ultimate shareholders as Tiverton 2 Limited.

	Sales 2023 £	Sales 2022 £	Purchases 2023 £	Purchases 2022 £
Group				
Martinhoe Holdings Limited	7,970,173	6,233,789	26,818,380	29,520,104

Amounts due to related party undertakings within one year:

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

25	Related party transactions	(Continued)	
	Company		
	Avalon Management Group Limited	(1,196,139)	(50,000)
	Martinhoe Holdings Limited	(79,332)	(95,251)
		<u></u>	<u></u>
	Amounts falling due within one year from related party undertakings:		
		Balance	Balance
		£	£
	Company		
	Avalon Management Inc	-	2,167
	Avalon Management Group Limited	725,471	-
	Martinhoe Holdings Limited	500,000	-
		<u></u>	<u></u>
	Other information		
	No guarantees have been given or received.		
	Amounts owed by group undertakings and participating interests are unsecured, interest free and have no fixed repayment date and are repayable on demand.		
	Details of key management personnel can be found on page 26.		
26	Ultimate controlling party		
	Tiverton 2 Limited is the ultimate parent company of the group and the smallest and largest legal entity preparing consolidated financial statements. J Thoday is the ultimate controlling party.		
27	Cash generated from group operations	2023	2022
		£	£
	Operating profit	7,772,432	10,052,257
	Adjustments for:		
	Impace of foreign tax	(214,781)	-
	Interest paid	(54,075)	(56,096)
	Depreciation and impairment of tangible fixed assets	32,989	30,232
	Movements in working capital:		
	Increase in debtors	(15,237,823)	(10,505,850)
	Increase in creditors	1,443,490	3,520,224
	Increase in deferred income	13,476,083	12,199,209
		<u></u>	<u></u>
	Cash generated from operations	7,218,315	15,239,976
		<u></u>	<u></u>

TIVERTON 2 LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

28 Analysis of changes in net funds - group

	1 July 2022 £	Cash flows £	30 June 2023 £
Cash at bank and in hand	18,946,527	4,327,645	23,274,172
Bank overdrafts	(1,329,123)	33,680	(1,295,443)
	<u>17,617,404</u>	<u>4,361,325</u>	<u>21,978,729</u>