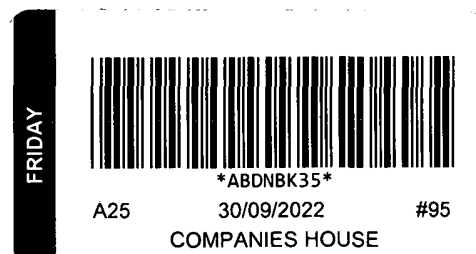


Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2021
for
Spring Media Investments Limited



REGISTERED NUMBER: 09931422 (England and Wales)

Spring Media Investments Limited

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Spring Media Investments Limited

Company Information
for the Year Ended 31 December 2021

DIRECTORS:

Mr S A Aspinall
Mr A Cajrati Crivelli Mesmer Nobili
Mr F Costa
Mr M Flammini
Ms C Kurzman
Mr J M Moffat
Mr A Oberoi
Mr H Uberoi
Mr N Khattar
Mr G Stigliano

REGISTERED OFFICE:

Spring House
10 Spring Place
London
NW5 3BH

REGISTERED NUMBER:

09931422 (England and Wales)

AUDITORS:

Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Spring Media Investments Limited

Group Strategic Report **for the Year Ended 31 December 2021**

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the provision of Strategy, Creative Content and Production Services, Content Studio Services and full Event hosting and management.

BUSINESS ACTIVITIES AND PHILOSOPHY

Spring is home to a global community of influential creatives, industry leaders and entrepreneurs in the business of shaping contemporary culture. Combining a Creative Agency and Production Studios, based out of London, New York and Milan, and with state-of-the-art infrastructure, we deliver premium branded content and experiences for aspirational global brands.

The Group offers Creative Agency and Production Services from its London, New York and Milan premises. As well as servicing emerging brands, London continues to partner with established brands such as Marks and Spencer and Breitling and added new clients in 2021 including Kao and Chivas. New York partners market leading brands including Estee Lauder and Tumi.

The Group offers Event Management and Production from its New York premises. Some of the key events at Spring are the Tribeca Film Festival, Independent Art Fair and New York Fashion Week

The Group has created an integrated management structure and workflow system to provide multi-channel strategic and creative solutions. This integrated management and operational structure of the Group has allowed the Company to develop accretive strategic revenue partnerships and relationships to add revenue generating capabilities that also add value to their clients.

SECTION 172(1) STATEMENT

This statement sets out how the Directors have approached and met their responsibilities under section 172 Companies Act 2006 and, in particular, how the Directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the Group for the benefit of its members as a whole and having regards for stakeholder's interests.

As such, the Directors have considered (amongst other things) the likely consequences of any decision in the long term. The Directors give significant consideration via the assessment of various board papers to the likely long term impact to the Company of any decisions made. It is the Directors' ultimate objective to deliver long term sustainable earnings growth.

Furthermore, the Directors have considered:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company, (the "s.172(1) Matters").

Induction materials provided on appointment include an explanation of Directors' duties, and the Board is regularly reminded of the s.172(1) matters.

Interests of members of the company

The Company is a private company and currently the full Board consists of ten members, one of whom is the CEO.

The day-to-day operations of the Company are managed by the Senior Management Team.

In common with many private companies the interests of the Board and the shareholders are broadly aligned in that the Company should create value by generating strong and sustainable results.

Spring Media Investments Limited

Group Strategic Report **for the Year Ended 31 December 2021**

The interests of employees

We continue to focus on training and supporting our employees in the understanding that a well informed and trained workforce is essential for the Company's ongoing success. We hold regular staff meetings and carry out annual appraisals of performance. We encourage feedback from our staff and where possible and practical, we implement suggestions made to improve our procedures and to improve our working environment.

The average number of staff for the period was 203 (2020: 196).

We consider that we offer our employees competitive remuneration packages and all staff members have the opportunity to join the Company's Group Pension Plan. In addition, we operate a Companywide incentive scheme.

The interests of our customers

We place customer satisfaction at the heart of our decision-making process. We do this by continuing to develop our creative offering, ensuring we are the forefront of the creative industry and this is demonstrated by the longevity of our key customer relationships.

The interests of our suppliers

Due to the nature of our activities many of the Company's suppliers are based overseas. Our principal suppliers include model agencies, production subcontractors and creative partners.

Much of the communication with suppliers is carried out by email or telephone calls.

Where disputes arise, we strive to reach outcomes that are satisfactory and fair to both the Company and its suppliers.

Maintaining a reputation for high standards of business conduct

We are committed to maintaining a reputation of high standards of business conduct. We have an ethics policy for all employees to follow and review this annually. Each year we consider and approve our Modern Slavery statement which explains the activities we have taken to demonstrate our commitment to seeking to ensure that there is no slavery, forced labour or human trafficking within any part of our business or supply chains.

BUSINESS PERFORMANCE

Despite the pandemic, the Group has continued to invest in personnel, technology and facilities to support the organic growth in each of its markets and maintain and enhance its position as a leading creative services hub for the global fashion, beauty and luxury good sectors.

The results for the year are set out on page 12. The Group's Adjusted EBITDA for the year, split between its London, New York and Milan locations of operations, is shown in the table below. Adjusted EBITDA, Direct Staff and Business Contribution are non-statutory measures which the Directors believe are appropriate measures in the assessment of performance of the Group. The Adjusted EBITDA numbers in the table below are translated at normalised exchange rates of GBP/USD \$1.30 for New York, and GBP/EUR €1.15 for Milan

Spring Media Investments Limited

Group Strategic Report **for the Year Ended 31 December 2021**

	LONDON	NEW YORK	MILAN	GROUP
TURNOVER	22,722,460	11,836,685	5,824,319	40,383,464
Cost of Sales	(8,647,876)	(5,869,235)	(3,626,612)	(18,143,723)
GROSS PROFIT	14,074,584	5,967,450	2,197,707	22,239,741
Direct Staff	(7,801,648)	(2,515,868)	(1,336,409)	(11,653,925)
BUSINESS CONTRIBUTION	6,272,936	3,451,582	861,298	10,585,816
Administrative expenses	(5,032,626)	(5,121,804)	(731,794)	(10,886,223)
Adjusted EBITDA	1,240,310	(1,670,222)	129,504	(300,408)

Group Adjusted EBITDA of (£300,408) in the table above can be reconciled to group operating loss of (£3,045,392) in the consolidated income statement, after charging:

Adjusted EBITDA	(300,408)
Less Depreciation	(2,357,463)
Less Exceptional Items	(1,077,986)
Less Board Remuneration & Expenses	(180,123)
Less Staff Restructuring	(198,539)
Add Bad Debt	13,522
Add Gain on Sale of Fixed Assets	172,328
Less COVID Schemes (Booked 2021)	804,953
Less Translation Gains / (Losses)	78,324
Operating Loss	(3,045,392)

BUSINESS ENVIRONMENT AND RISK

The Group's principal financial assets are debtors and bank balances. The Group's credit risk is primarily attributable to its trade debtors. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit risk agencies. Management regularly reviews trade debtor balances and the trade debtors are distributed in such a manner that the credit risk is mitigated.

The success of the Group has been based upon the commitment to excellence, creativity and innovation in the solutions provided to clients. The loss of clients could have an impact although a broad client base and several successful client wins ensure that the Group is not overly reliant on one or more large clients.

The Group invests in the relationship with each of its clients to maintain current contracts supported by the retention of talent to service their needs. The Group can respond to changes in external conditions through control of its operational expenditure, capital expenditure and variable costs.

The business operates predominantly in three currencies being the £, \$ and € and has an active hedging strategy to manage and mitigate transactional and translational risks within the group.

The Group is a leading agency in the fashion, beauty and luxury brand sectors and its success is derived from its vision, services and philosophy. Coupled with its reputation for innovation and creativity, the Group enjoys the ability to attract and retain high quality staff.

The Board reviews the value of its investments to consider the risk of impairment. The Board also reviews and considers the impact of any regulatory changes as well as endorsing the Group policy in respect to the Bribery Act.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risks faced by the Group as a result of its activities and the management of those risks are described below:

Spring Media Investments Limited

Group Strategic Report **for the Year Ended 31 December 2021**

Financial risk

The Group is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations as they fall due.

The Group has transactions in a currency other than sterling and is therefore exposed to the fluctuations in the foreign currency exchange rate.

Credit risk

The Group's principal financial assets are bank balances and trade debtors.

The Group's credit risk is primarily attributable to its trade debtors. The Group has enlisted financing through factoring in order to mitigate the risk through the recoverability of the trade debtors. The Group has no significant concentration of credit risk, with the exposure spread over a number of clients.

Liquidity risk

To maintain liquidity and ensure that sufficient funds are available for ongoing operations, the Group has maintained sufficient cash balances.

Environment

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. Initiatives are designed to minimise the Group's impact on the environment and include improving energy use efficient, paper use and recycling.

STRATEGY AND FUTURE DEVELOPMENTS

The Group is focused on accelerating the Spring brand. Building on the core service offerings, Spring continues to be a platform where culture, creativity and ideas come together to transform brands and drive aspiration for consumers globally.

Unique in the industry, the Group offers a suite of services to deliver incredible impact and scale efficiency, while maintaining the exceptional standards required by our clients across all our verticals. This approach will enhance the current Spring revenue model and create new revenue streams in 2022 and beyond.

Spring Studios London continues to be a leading player in the fields of Creative Advertising, Production and provision of Studio space.

Spring Studios New York LLC maintains its position as one of the leading Events spaces in Manhattan.

Spring Italy is well established in the local market and continues to service global clients and maintain its market share in the local market.

The current and new investors continue to support the Group and its vision.

The financial focus for the Group continues to be increased revenue in all sectors and markets, management of the revenue to staff cost ratio, improvement in operating margin and control of the fixed overhead cost structure.

The post pandemic recovery is established in 2022 and the Group continues to attract exciting new clients who wish to benefit from our exceptional offerings.

ON BEHALF OF THE BOARD:



Mr G Stigliano - Director

Date: 27-09-2022

Spring Media Investments Limited

Report of the Directors **for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mr S A Aspinall
Mr A Cajrati Crivelli Mesmer Nobili
Mr F Costa
Mr M Flammini
Ms C Kurzman
Mr J M Moffat
Mr A Oberoi
Mr H Uberoi
Mr N Khattar

Other changes in directors holding office are as follows:

Mr G Stigliano - appointed 1 October 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Spring Media Investments Limited

Report of the Directors
for the Year Ended 31 December 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

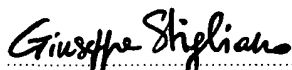
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

Nordens Audit Limited were appointed as auditors of the company by the Directors.

The auditors, Nordens Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr G Stigliano - Director

Date: 27-09-2022

Report of the Independent Auditors to the Members of Spring Media Investments Limited

Opinion

We have audited the financial statements of Spring Media Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 the 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.

Other information

The directors are responsible for the other information.¹ The other information comprises the information in the Group Strategic Report and the Report of the Directors but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Report of the Independent Auditors to the Members of Spring Media Investments Limited

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Report of the Independent Auditors to the Members of Spring Media Investments Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Report of the Independent Auditors to the Members of
Spring Media Investments Limited**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lorraine Curtis ACA BFP FCCA (Senior Statutory Auditor)
for and on behalf of Nordens
Statutory Auditors
The Retreat
406 Roding Lane South
Woodford Green
Essex
IG8 8EY

Date: 28/09/2022

Spring Media Investments Limited

Consolidated Income Statement
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER	3	40,383,464	32,420,557
Cost of sales		<u>18,143,723</u>	<u>14,342,536</u>
GROSS PROFIT		22,239,741	18,078,021
Administrative expenses		<u>25,358,580</u>	<u>28,783,400</u>
		(3,118,839)	(10,705,379)
Other operating income		<u>73,447</u>	<u>545,537</u>
OPERATING LOSS	5	(3,045,392)	(10,159,842)
Interest payable and similar expenses	6	<u>410,286</u>	<u>299,413</u>
LOSS BEFORE TAXATION		(3,455,678)	(10,459,255)
Tax on loss	7	<u>79,099</u>	<u>64,314</u>
LOSS FOR THE FINANCIAL YEAR		<u>(3,534,777)</u>	<u>(10,523,569)</u>
Loss attributable to:			
Owners of the parent		(3,544,412)	(10,533,504)
Non-controlling interests		<u>9,635</u>	<u>9,935</u>
		<u>(3,534,777)</u>	<u>(10,523,569)</u>

The notes form part of these financial statements

Spring Media Investments Limited

Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
LOSS FOR THE YEAR		(3,534,777)	(10,523,569)
Foreign exchange difference on translation of overseas subsidiaries		<u>7,130</u>	<u>(33,437)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(3,527,647)</u>	<u>(10,557,006)</u>
Total comprehensive income attributable to:			
Owners of the parent		(3,537,282)	(10,566,941)
Non-controlling interests		<u>9,635</u>	<u>9,935</u>
		<u>(3,527,647)</u>	<u>(10,557,006)</u>

The notes form part of these financial statements

Spring Media Investments Limited (Registered number: 09931422)

Consolidated Balance Sheet
31 December 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	9		2,503,768		3,364,060
Tangible assets	10		5,500,736		6,172,860
Investments	11		<u>74,089</u>		<u>73,475</u>
			8,078,593		9,610,395
CURRENT ASSETS					
Stocks	12	64,689		12,082	
Debtors	13	7,542,367		4,867,567	
Cash at bank and in hand		<u>3,919,897</u>		<u>1,865,612</u>	
			11,526,953		6,745,261
CREDITORS					
Amounts falling due within one year	14	<u>25,144,173</u>		<u>21,133,190</u>	
NET CURRENT LIABILITIES			(13,617,220)		(14,387,929)
TOTAL ASSETS LESS CURRENT LIABILITIES			(5,538,627)		(4,777,534)
CREDITORS					
Amounts falling due after more than one year	15		(6,141,434)		(3,364,000)
PROVISIONS FOR LIABILITIES	19		<u>(640,586)</u>		<u>(647,641)</u>
NET (LIABILITIES)/ASSETS			<u>(12,320,647)</u>		<u>(8,789,175)</u>

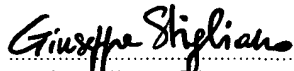
The notes form part of these financial statements

Spring Media Investments Limited (Registered number: 09931422)

Consolidated Balance Sheet - continued
31 December 2021

	Notes	£	2021 £	£	2020 £
CAPITAL AND RESERVES					
Called up share capital	20		280		280
Share premium	21		17,660,662		17,660,662
Merger reserve	21		12,533,374		12,533,374
Forex Reserve	21		(3,644,459)		(3,651,589)
Retained earnings	21		<u>(38,883,876)</u>		<u>(35,339,464)</u>
SHAREHOLDERS' FUNDS			(12,334,019)		(8,796,737)
NON-CONTROLLING INTERESTS			<u>13,372</u>		<u>7,562</u>
TOTAL EQUITY			<u>(12,320,647)</u>		<u>(8,789,175)</u>

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by:


.....
Mr G Stigliano - Director


The notes form part of these financial statements

Spring Media Investments Limited (Registered number: 09931422)

Company Balance Sheet
31 December 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		<u>4,131,761</u>		<u>4,131,761</u>
			4,131,761		4,131,761
CURRENT ASSETS					
Debtors	13	20,492,807		16,763,140	
Cash at Bank		<u>7,150</u>		<u>-</u>	
		20,499,957		16,763,140	
CREDITORS					
Amounts falling due within one year	14	<u>2,570,195</u>		<u>1,854,293</u>	
NET CURRENT ASSETS			<u>17,929,762</u>		<u>14,908,847</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			22,061,523		19,040,608
CREDITORS					
Amounts falling due after more than one year	15		(6,049,351)		(2,214,234)
PROVISIONS FOR LIABILITIES	19		<u>(72,894)</u>		<u>(72,894)</u>
NET ASSETS			<u>15,939,278</u>		<u>16,753,480</u>
CAPITAL AND RESERVES					
Called up share capital	20		280		280
Share premium	21		17,560,662		17,560,662
Retained earnings	21		<u>(1,621,664)</u>		<u>(807,462)</u>
SHAREHOLDERS' FUNDS			<u>15,939,278</u>		<u>16,753,480</u>
Company's loss for the financial year			<u>(814,202)</u>		<u>(78,718)</u>

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by:



Mr G Stigliano - Director

The notes form part of these financial statements

Spring Media Investments Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2021

	Share capital £	Retained Earnings £	Share Premium £	Merger Reserve £	Forex Reserve £	Total £	Non-controlling Interests £	Total Equity £
Balance at 1 January 2020	280	(24,805,960)	17,660,662	12,533,374	(3,618,152)	1,770,204	(2,373)	1,767,831
Change in equity								
Total comprehensive loss	-	(10,553,504)	-	-	(33,437)	(10,566,941)	9,935	(10,557,006)
Balance at 31 December 2020	280	(35,339,464)	17,660,662	12,533,374	(3,651,589)	(8,796,737)	7,562	(8,789,175)
Change in equity								
Total comprehensive loss	-	(3,544,412)	-	-	7,130	(3,537,282)	9,635	(3,527,647)
Foreign Exchange movement	-	-	-	-	-	-	(3,825)	(3,825)
Balance at 31 December 2021	<u>280</u>	<u>(38,883,876)</u>	<u>17,660,662</u>	<u>12,533,374</u>	<u>(3,644,459)</u>	<u>(12,334,019)</u>	<u>13,372</u>	<u>(12,320,647)</u>

The notes form part of these financial statements

Spring Media Investments Limited

Company Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2020	280	(728,744)	17,560,662	16,832,198
Changes in equity	-	(78,718)	-	(78,718)
Balance at 31 December 2020	280	(807,462)	17,560,662	16,753,480
Changes in equity	-	(814,202)	-	(814,202)
Balance at 31 December 2021	280	(1,621,664)	17,560,662	15,939,278

The notes form part of these financial statements

Spring Media Investments Limited

Consolidated Cash Flow Statement **for the Year Ended 31 December 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	532,239	593,269
Interest paid		(394,400)	(247,102)
Interest element of hire purchase payments paid		(15,886)	(52,311)
Finance costs paid		<u>211,285</u>	<u>180,169</u>
Net cash from operating activities		<u>333,238</u>	<u>474,025</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(56,694)	(401,270)
Purchase of tangible fixed assets		(753,418)	(796,087)
Sale of intangible fixed assets		-	382,256
Sale of tangible fixed assets		<u>13,229</u>	<u>34,064</u>
Net cash from investing activities		<u>(796,883)</u>	<u>(781,037)</u>
 Cash flows from financing activities			
New loans in year		982,141	5,002,340
Convertible loans in the year		2,835,117	-
Capital repayments in year		-	(4,131,681)
Loans forgiven in the year		<u>(942,910)</u>	<u>-</u>
Net cash from financing activities		<u>2,874,348</u>	<u>870,659</u>
 Increase in cash and cash equivalents		<u>2,410,703</u>	<u>563,647</u>
Cash and cash equivalents at beginning of year	2	<u>1,505,335</u>	<u>941,688</u>
 Cash and cash equivalents at end of year	2	<u><u>3,916,038</u></u>	<u><u>1,505,335</u></u>

The notes form part of these financial statements

Spring Media Investments Limited

Notes to the Consolidated Cash Flow Statement **for the Year Ended 31 December 2021**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Loss before taxation	(3,455,678)	(10,459,255)
Depreciation and amortisation charges	2,365,121	2,410,184
Profit on disposal of fixed assets	-	(2,675)
Unrealised foreign exchange differences	-	405
Interest accrued on loans payable	92,130	180,169
Finance costs	<u>142,621</u>	<u>127,163</u>
	(855,806)	(7,744,009)
Increase in stocks	(52,607)	(558)
(Increase)/decrease in trade and other debtors	(2,674,800)	7,437,494
Increase in trade and other creditors	<u>4,115,452</u>	<u>900,342</u>
Cash generated from operations	<u>532,239</u>	<u>593,269</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	2021	2020
	£	£
Cash at bank	3,919,897	1,865,612
Bank overdrafts	<u>(3,859)</u>	<u>(360,277)</u>
	<u>3,916,038</u>	<u>1,505,335</u>

Year ended 31 December 2020

	2020	2019
	£	£
Cash at bank	1,865,612	2,618,847
Bank overdrafts	<u>(360,277)</u>	<u>(1,677,159)</u>
	<u>1,505,335</u>	<u>941,688</u>

The notes form part of these financial statements

Spring Media Investments Limited

Notes to the Consolidated Cash Flow Statement **for the Year Ended 31 December 2021**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	1,865,612	2,054,285	3,919,897
Bank overdrafts	<u>(360,277)</u>	<u>356,418</u>	<u>(3,859)</u>
	<u>1,505,335</u>	<u>2,410,703</u>	<u>3,916,038</u>
Debt			
Finance leases	(488,172)	101,137	(387,035)
Debts falling due within 1 year	(1,476,157)	(109,254)	(1,585,411)
Debts falling due after 1 year	<u>(2,214,235)</u>	<u>(2,892,207)</u>	<u>(5,106,442)</u>
	<u>(4,178,564)</u>	<u>(2,900,324)</u>	<u>(7,078,888)</u>
Total	<u>(2,673,229)</u>	<u>(489,621)</u>	<u>(3,162,850)</u>

The notes form part of these financial statements

Spring Media Investments Limited

Notes to the Consolidated Financial Statements **for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Spring Media Investments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

The financial statements are presented in Sterling (£). Monetary amounts are rounded to the nearest £.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical.
- No cash flow statement has been presented for the parent company.
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and the results of subsidiary undertakings are included from the date of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

Revenue from the sale of services can be measured reliably when it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in the respect of the transaction can be measured reliably.

License income

Income recognised on the sale of unconditional sale of trademark rights is recognised on signing of the license income agreement provided there are no requirements for the group to provide services during the subsequent license period. License income is recognised within other operating income.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

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 (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment of tangible fixed assets

Tangible fixed assets are reviewed for impairment if events or changes to circumstances indicate that the carrying amount of an asset or a cash-generating unit is not recoverable. The recoverable amount is the greater of the fair value less costs to sell and value-in-use. Impairment losses recognised in prior periods are assessed at each reporting period date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would be held (net of depreciation) if no impairment had been realised.

Impairment of investments

Investments in subsidiaries and associates are held at cost less accumulated impairment losses. Annual impairment tests are carried out to ascertain if the carrying value of investments are impaired. These tests comprise a comparison between the carrying value of investment in subsidiary and associates and the net asset value of the subsidiary and associates. In some instances, valuations of the subsidiary companies and associates are prepared. Valuations for impairment tests are based on established market multiples or risk-adjusted future cash flows over the estimated useful life of the asset, where limited, discounted using the appropriate interest rates.

The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and are therefore inherently judgemental. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the Group.

In the opinion of the Directors, there are no critical judgements that have been made in the process of applying the accounting policies.

Recognition of project-based income

When determining the amount of revenue to recognise in respect of project based contracts which are ongoing at the year end. The factors that are taken into account in assessing the amount of revenue to recognise include project activity phases and costs incurred.

Fair value of share options

When determining the fair value of share options issued under the Group's share option plan, the value of options issued is determined using the Black Scholes model and is affected by various assumptions such as share price at the time of issue and expected volatility of the share price. Additionally, management have applied judgement in respect of determination of the vesting period of the options issued under the plan by referencing the contractual terms and estimated employment status of awardees of the plan.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Going Concern

The financial statements have been prepared on the going concern basis.

The major part of the Group's working capital requirements have been provided by a loan from the bank and convertible loans, the Directors believe that this current level of finance is not in jeopardy and will be repaid according to the terms in the agreements. The Group has net current liabilities of £13,617,220 (2020: £14,387,929). This is showing an improvement year on year and the Group is expecting to make further profits in the coming year to improve the balance sheet going forwards.

The directors, having considered the above and made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the Group will continue in operation for the foreseeable future and specifically, for at least 12 months from the date of these financial statements. To bolster the working capital reserves the directors have secured new terms on the bank loan, this will be provided on a rolling basis and reviewed by the directors and bank every 24 months.

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of consideration paid and the fair value of the assets and liabilities acquired. Positive purchased goodwill arising on consolidation is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life.

Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - over 3 years and over 10 years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- Over 10 years
Plant and machinery	- Over 5 years
Fixtures and fittings	- Over 3 years
Computer equipment	- Over 3 years

Investments in subsidiaries and associates

Investments in subsidiaries are held at cost less accumulated impairment losses. Investments in associate undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Trade debtors

Trade debtors are recognised and carried forward at invoiced amounts less any provisions for credit notes or doubtful debts. Bad debts are written off when identified. Amounts received from debt factors against these debts are recognised as liabilities.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Share based payment

When share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The expense is recognised within administrative expenses and reversed through the profit and loss account in the statement of changes in equity in the period it occurs.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	13,870,822	10,490,797
Europe	13,920,590	7,878,633
Rest of World	12,592,052	14,051,127
	<u>40,383,464</u>	<u>32,420,557</u>

4. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	13,896,854	13,833,667
Social security costs	1,422,366	1,258,213
Other pension costs	204,824	177,977
	<u>15,524,044</u>	<u>15,269,857</u>

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

	2021	2020
Agency	63	65
Production	64	57
Studios	19	16
Events	7	13
Corporate	<u>50</u>	<u>45</u>
	<u>203</u>	<u>196</u>

The company has no employees and all remuneration of group employees is borne by subsidiary companies.

The highest paid director received remuneration of £244,144 (2020: £272,647), including pension contributions of £3,194 (2020: £7,960). The total number of directors for which pension contributions were made during the year was 1 (2020: 1).

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

5. OPERATING LOSS

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

	2021	2020
	£	£
Hire of plant and machinery	341,531	292,113
Other operating leases	1,123	6,005
Depreciation - owned assets	1,055,239	1,154,468
Depreciation - assets on hire purchase contracts	387,708	320,946
Profit on disposal of fixed assets	-	(2,675)
Goodwill amortisation	788,153	805,042
Patents and licences amortisation	3,717	-
Computer software amortisation	130,304	129,728
Auditors remuneration	58,000	58,000
Auditors remuneration for non-audit work	7,000	7,000
Foreign exchange differences	<u>(120,510)</u>	<u>30,577</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Other loan interest	211,285	180,169
Finance charges	181,350	65,720
Late payments charges and interest	1,765	1,213
Hire purchase	<u>15,886</u>	<u>52,311</u>
	<u>410,286</u>	<u>299,413</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2021	2020
	£	£
Current tax:		
Overseas corporation tax	84,465	64,314
Deferred tax	<u>(5,366)</u>	<u>-</u>
Tax on loss	<u>79,099</u>	<u>64,314</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Loss before tax	<u>(3,455,678)</u>	<u>(10,459,255)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(656,579)	(1,987,258)
Effects of:		
Expenses not deductible for tax purposes	214,086	210,940
Capital allowances in excess of depreciation	(147,254)	-
Depreciation in excess of capital allowances	-	117,651
Utilisation of tax losses	87,745	-
Deferred tax	(5,366)	-
Carry forward of tax losses	<u>586,467</u>	<u>1,722,981</u>
Total tax charge	<u>79,099</u>	<u>64,314</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Patents and licences	Computer software	Totals
	£	£	£	£
COST				
At 1 January 2021	7,124,384	-	414,059	7,538,443
Additions	-	27,880	28,814	56,694
Exchange differences	<u>19,815</u>	<u>-</u>	<u>(7,086)</u>	<u>12,729</u>
At 31 December 2021	<u>7,144,199</u>	<u>27,880</u>	<u>435,787</u>	<u>7,607,866</u>
AMORTISATION				
At 1 January 2021	4,044,879	-	129,504	4,174,383
Amortisation for year	788,153	3,717	130,304	922,174
Exchange differences	<u>11,958</u>	<u>-</u>	<u>(4,417)</u>	<u>7,541</u>
At 31 December 2021	<u>4,844,990</u>	<u>3,717</u>	<u>255,391</u>	<u>5,104,098</u>
NET BOOK VALUE				
At 31 December 2021	<u>2,299,209</u>	<u>24,163</u>	<u>180,396</u>	<u>2,503,768</u>
At 31 December 2020	<u>3,079,505</u>	<u>-</u>	<u>284,555</u>	<u>3,364,060</u>

The company has no intangible fixed assets.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

10. TANGIBLE FIXED ASSETS

Group	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2021	5,641,425	4,595,032	4,309,002	2,257,576	16,803,035
Additions	123,446	248,171	(1)	381,802	753,418
Disposals	-	(301,802)	(96,088)	(51,670)	(449,560)
Exchange differences	34,093	3,428	2,412	10,584	50,517
At 31 December 2021	<u>5,798,964</u>	<u>4,544,829</u>	<u>4,215,325</u>	<u>2,598,292</u>	<u>17,157,410</u>
DEPRECIATION					
At 1 January 2021	2,259,314	3,597,717	3,674,251	1,098,893	10,630,175
Charge for year	410,069	304,458	309,067	419,353	1,442,947
Eliminated on disposal	-	(299,831)	(85,795)	(50,705)	(436,331)
Exchange differences	9,483	60	3,605	6,735	19,883
At 31 December 2021	<u>2,678,866</u>	<u>3,602,404</u>	<u>3,901,128</u>	<u>1,474,276</u>	<u>11,656,674</u>
NET BOOK VALUE					
At 31 December 2021	<u>3,120,098</u>	<u>942,425</u>	<u>314,197</u>	<u>1,124,016</u>	<u>5,500,736</u>
At 31 December 2020	<u>3,382,111</u>	<u>997,315</u>	<u>634,751</u>	<u>1,158,683</u>	<u>6,172,860</u>

The company has no tangible fixed assets.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

10. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 January 2021	1,996,532	618,916	2,615,448
Additions	<u>227,507</u>	<u>50,923</u>	<u>278,430</u>
At 31 December 2021	<u>2,224,039</u>	<u>669,839</u>	<u>2,893,878</u>
DEPRECIATION			
At 1 January 2021	1,388,278	356,191	2,811,801
Charge for year	<u>203,695</u>	<u>184,763</u>	<u>388,458</u>
At 31 December 2021	<u>1,591,973</u>	<u>540,954</u>	<u>2,132,927</u>
NET BOOK VALUE			
At 31 December 2021	<u>632,066</u>	<u>128,885</u>	<u>760,951</u>
At 31 December 2020	<u>608,254</u>	<u>262,725</u>	<u>870,979</u>

11. FIXED ASSET INVESTMENTS

Group

	Interest in associate £
COST	
At 1 January 2021	73,475
Exchange differences	<u>614</u>
At 31 December 2021	<u>74,089</u>
NET BOOK VALUE	
At 31 December 2021	<u>74,089</u>
At 31 December 2020	<u>73,475</u>

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

11. FIXED ASSET INVESTMENTS - continued

Company

**Shares in
group
undertakings
£**

COST

At 1 January 2021
and 31 December 2021

4,131,761

NET BOOK VALUE

At 31 December 2021

4,131,761

At 31 December 2020

4,131,761

Name of Company	Country of Incorporation	%Holding	Registered Office
Spring Studios Limited	England	100	Spring House, 10 Spring Place, Kentish Town, London, NW5 3BH
Six Design Limited	England	100	Spring House, 10 Spring Place, Kentish Town, London, NW5 3BH
Henhouse Media Limited	England	100	Spring House, 10 Spring Place, Kentish Town, London, NW5 3BH
Star & Co Limited	England	100	Spring House, 10 Spring Place, Kentish Town, London, NW5 3BH
Wink Management Limited	England	100	Spring House, 10 Spring Place, Kentish Town, London, NW5 3BH
Star Production Limited	England	75	Spring House, 10 Spring Place, Kentish Town, London, NW5 3BH
Spring Creative Inc	USA	100	6 St Johns Lane, New York, NY 10013
Spring America Inc	USA	100	6 St Johns Lane, New York, NY 10013
Spring Studios New York LLC	USA	100	6 St Johns Lane, New York, NY 10013
Spring Studios SRL	Italy	90	Via Visconti di Modrone, 11 - 20122 Milan

12. STOCKS

	Group	
	2021	2020
	£	£
Stocks	<u>64,689</u>	<u>12,082</u>

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	5,219,475	2,445,053	-	-
Amounts owed by group undertakings	-	-	20,492,807	16,763,140
Other debtors	1,265,197	860,120	-	-
Tax	134,717	134,717	-	-
Prepayments and accrued income	922,978	1,427,677	-	-
	<u>7,542,367</u>	<u>4,867,567</u>	<u>20,492,807</u>	<u>16,763,140</u>

At the balance sheet date £109,255 (2020: £Nil) of debts subject to invoice discounting were outstanding in the Group and £Nil (2020: £Nil) in the company.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 15)	1,589,270	1,836,434	1,476,156	1,836,434
Hire purchase contracts (see note 16)	294,952	281,316	-	-
Trade creditors	6,009,957	5,831,952	352,074	-
Amounts owed to associates	337,817	222,973	-	-
Amounts owed to group undertakings	-	-	415,909	-
Tax	86,484	72,276	-	-
Social security and other taxes	4,094,108	3,435,051	-	-
Other creditors	940,288	476,458	-	-
Accruals and deferred income	11,791,290	8,976,730	326,056	17,859
	<u>25,144,173</u>	<u>21,133,190</u>	<u>2,570,195</u>	<u>1,854,293</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (see note 16)	3,214,234	2,214,234	3,214,234	2,214,234
Other loans (see note 16)	2,835,117	942,910	2,835,117	-
Hire purchase contracts (see note 17)	92,083	206,856	-	-
	<u>6,141,434</u>	<u>3,364,000</u>	<u>6,049,351</u>	<u>2,214,234</u>

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	3,859	360,277	-	360,277
Bank loans	<u>1,585,411</u>	<u>1,476,157</u>	<u>1,476,156</u>	<u>1,476,156</u>
	<u>1,589,270</u>	<u>1,836,434</u>	<u>1,476,156</u>	<u>1,836,433</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	1,476,156	1,476,156	1,476,156	1,476,156
Other loans - 1-2 years	<u>2,835,117</u>	<u>942,910</u>	<u>2,835,117</u>	<u>-</u>
	<u>4,311,273</u>	<u>2,419,066</u>	<u>4,311,273</u>	<u>1,476,156</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>1,738,078</u>	<u>738,078</u>	<u>1,738,078</u>	<u>738,078</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2021	2020
	£	£
Gross obligations repayable:		
Within one year	320,313	317,202
Between one and five years	<u>98,527</u>	<u>217,064</u>
	<u>418,840</u>	<u>534,266</u>
Finance charges repayable:		
Within one year	25,361	35,886
Between one and five years	<u>6,444</u>	<u>10,208</u>
	<u>31,805</u>	<u>46,094</u>
Net obligations repayable:		
Within one year	294,952	281,316
Between one and five years	<u>92,083</u>	<u>206,856</u>
	<u>387,035</u>	<u>488,172</u>

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

17. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	4,741,313	3,708,351
Between one and five years	14,922,805	15,376,303
In more than five years	9,408,727	12,394,181
	<u>29,072,845</u>	<u>31,478,835</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020
	£	£
Bank overdraft	3,859	360,277
Bank loans	4,799,645	-
	<u>4,803,504</u>	<u>360,277</u>

The above amounts are secured on the trade receivables under invoice financing as detailed in note 13 and also against the operating leases as detailed in note 17.

19. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020
	£	£
Deferred tax	<u>189,724</u>	<u>195,090</u>
Other provisions	<u>454,033</u>	<u>452,551</u>
Aggregate amounts	<u>643,757</u>	<u>647,641</u>
Group		
	Deferred tax	Withholding tax
	£	£
Balance at 1 January 2021	195,090	452,551
Movement in the year	<u>(5,366)</u>	<u>1,482</u>
Balance at 31 December 2021	<u>189,724</u>	<u>454,033</u>

The company has no recognised deferred tax balances.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021 £	2020 £
Number:	Class:			
28,012,562	ordinary	0.000 01	<u>280</u>	<u>280</u>

21. RESERVES

Reserve Description	
Merger reserve	Reserve created on acquisition of subsidiary in exchange for shares in subsidiary undertaking
Share premium reserve	Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium
Profit and loss account	The cumulative profit and loss reserve
Foreign exchange reserve	Comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).

22. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

As at 31 December 2021, there is no immediate or ultimate controlling party.

23. RELATED PARTY DISCLOSURES

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

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

There were no transactions between the entity and Star Production Limited or Spring Studios Srl which are not wholly owned subsidiaries within the Group in the year (2020: £Nil).

Key management personnel include all directors of the parent company and certain members of senior management across the group who together have authority and responsibility for planning, directing and controlling activities of the group. The total compensation paid for services provided to the group was £2,172,341 (2020: £2,988,925).

All other related parties are detailed in the notes to the accounts.

24. POST BALANCE SHEET EVENTS

On 1 June 2022, Spring Studios Limited purchased the remaining 10% of the share capital of Spring Studios SRL. The company now holds 100% of the share capital of this company at a value of €10,000.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2021**

25. SHARE-BASED PAYMENT TRANSACTIONS

In 2014, the company introduced a share option plan, under which directors, senior management and other qualifying staff have been granted options to subscribe for ordinary shares in Spring Studios Limited. All options are settled by the issue of shares. The number and weighted average exercise price of share options in existence at the balance sheet date are as follows:

	2021 Weighted average exercise price (£)	2021 Number	2020 Weighted average exercise price (£)	2020 Number
Outstanding at 1 January	1	171,000	1	171,000
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at 31 December	1	171,000	1	171,000

Share options outstanding at 31 December 2021 had a weighted average exercise price of £1.00 and a weighted average remaining contractual life of 4 years (2020: 5 years). There are no performance conditions attached to any of the share options granted up to the balance sheet date, other than continued employment over the vesting period of 10 years.

	On issuance
Option pricing model used	Black-Scholes
Weighted average share price at grant date	£1.99
Exercise price	£1.00
Weighted average contractual life (in years)	5
Expected volatility	30%
Risk-free interest rate	2.05%

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in a materially accurate estimate of the fair value of options granted. The volatility assumption was determined with reference to comparable companies.

The share-based remuneration (income)/expense comprises:

	2021	2020
	£	£
Equity-settled schemes	-	-