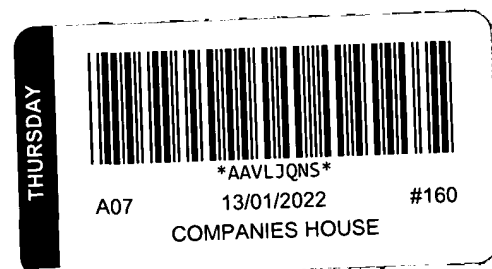


Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2020
for
Spring Media Investments Limited



REGISTERED NUMBER: 09931422 (England and Wales)

Spring Media Investments Limited

**Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2020**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	6
Report of the Independent Auditors	8
Consolidated Income Statement	12
Consolidated Statement of Comprehensive Income	13
Consolidated Balance Sheet	14
Company Balance Sheet	16
Consolidated Statement of Changes in Equity	17
Company Statement of Changes in Equity	18
Consolidated Cash Flow Statement	19
Notes to the Consolidated Cash Flow Statement	20
Notes to the Consolidated Financial Statements	22

Spring Media Investments Limited

Company Information
for the Year Ended 31 December 2020

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

REGISTERED OFFICE:

Spring House
10 Spring Place
London
NWS 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 2020**

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

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 2020 including Armani and New Look. New York partners market leading brands including Tumi and Tom Ford.

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

The Directors are well aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- 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 AS 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.

Spring Media Investments Limited

Group Strategic Report **for the Year Ended 31 December 2020**

COVID 19

The onset of COVID 19 presented the Group with unique challenges during 2020.

Aside from the initial UK 2020 lockdown, London premises have been open for business as usual and have continued to provide Ecommerce Production and Studio Rentals with utmost regard for client and staff safety.

London Agency and related Production services continued as normal throughout all lockdowns with staff adapting speedily and successfully to working mostly from home.

The New York Events business was inevitably affected by the prohibition of large-scale events. New York Studios were forced to close during the initial New York lockdown. As with London, Agency and Production services continued as normal with necessary adaptations to working practices.

Milan Agency and Production services continued throughout the Italian lockdowns.

The Group has utilised all offered Government support in UK, US and Italy. In addition, the Group has been supported by its many stakeholders including investors, finance providers, landlords and suppliers and we maintain our position as a leader in the Creative sector. The Group's staff have demonstrated exceptional flexibility and commitment during 2020.

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 9. 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

	LONDON	NEW YORK	MILAN	GROUP
TURNOVER	19,483,027	9,293,578	3,363,301	32,139,906
Cost of Sales	(8,580,405)	(3,932,096)	(1,726,152)	(14,238,653)
GROSS PROFIT	10,902,623	5,361,482	1,637,148	17,901,253
Direct Staff	(6,991,546)	(2,465,262)	(998,984)	(10,455,792)
BUSINESS CONTRIBUTION	3,911,076	2,896,220	638,165	7,445,461
Administrative expenses	(4,999,765)	(6,518,360)	(622,311)	(12,140,437)
Adjusted EBITDA	(1,088,688)	(3,622,140)	15,853	(4,694,976)

Group Adjusted EBITDA of £(4,694,976) in the table above can be reconciled to group operating loss of (£10,159,842) in the consolidated income statement, after charging:

Spring Media Investments Limited

Group Strategic Report **for the Year Ended 31 December 2020**

Adjusted EBITDA	(4,694,976)
Less Depreciation	(2,418,508)
Less Exceptional Items	(1,532,888)
Less Board Remuneration & Expenses	(524,506)
Less Staff Restructuring	(90,933)
Add Bad Debt	1,106
Add Gain on Sale of Fixed Assets	2,675
Less COVID Schemes (Booked 2021)	(819,621)
Less Translation Gains / (Losses)	(82,191)
Operating Loss	(10,159,842)

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.

Spring Media Investments Limited

Group Strategic Report **for the Year Ended 31 December 2020**

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 2021 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 space in Manhattan.

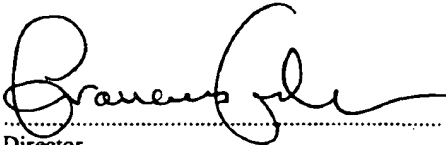
Spring Italy is now well established in the local market and continues to service global clients and increase its market share in the local market.

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 well under way in 2021 and the Group continues to attract exciting new clients who wish to benefit from our exceptional offerings.

ON BEHALF OF THE BOARD:



Director

Date: 22/12/2021

Spring Media Investments Limited

Report of the Directors **for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Mr S A Aspinall
Mr A Cjirati 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 M N Loy - resigned 18 June 2020

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 2020

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

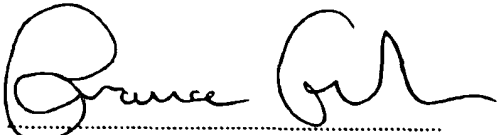
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware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

AUDITORS

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

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Bruce Costa', written over a dotted line.

Mr F Costa - Director

Date: 22/12/2021

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 2020 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 2020 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. 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: 23/12/2021

Spring Media Investments Limited

Consolidated Income Statement
for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
TURNOVER	3	32,420,557	67,854,671
Cost of sales		<u>14,342,536</u>	<u>36,250,742</u>
GROSS PROFIT		18,078,021	31,603,929
Administrative expenses		<u>28,237,863</u>	<u>32,115,673</u>
OPERATING LOSS	5	(10,159,842)	(511,744)
Interest payable and similar expenses	6	<u>299,413</u>	<u>805,714</u>
LOSS BEFORE TAXATION		(10,459,255)	(1,317,458)
Tax on loss	7	<u>64,314</u>	<u>58,141</u>
LOSS FOR THE FINANCIAL YEAR		<u>(10,523,569)</u>	<u>(1,375,599)</u>
Loss attributable to:			
Owners of the parent		(10,533,504)	(1,379,631)
Non-controlling interest		<u>9,935</u>	<u>4,032</u>
		<u>(10,523,569)</u>	<u>(1,375,599)</u>

The notes form part of these financial statements

Spring Media Investments Limited

Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2020

Notes	2020 £	2019 £
LOSS FOR THE YEAR	(10,523,569)	(1,375,599)
Foreign exchange difference on translation of overseas subsidiaries	<u>(33,437)</u>	<u>(85,158)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(10,557,006)</u>	<u>(1,460,757)</u>
Total comprehensive income attributable to:		
Owners of the parent	(10,566,941)	(1,464,789)
Non-controlling interest	<u>9,935</u>	<u>4,032</u>
	<u>(10,557,006)</u>	<u>(1,460,757)</u>

The notes form part of these financial statements

Spring Media Investments Limited (Registered number: 09931422)

Consolidated Balance Sheet
31 December 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Intangible assets	9	3,364,060	4,305,607
Tangible assets	10	6,172,860	7,028,439
Investments	11	<u>73,475</u>	<u>75,846</u>
		9,610,395	11,409,892
CURRENT ASSETS			
Stocks	12	12,082	11,524
Debtors	13	4,867,567	12,305,061
Cash at bank and in hand		<u>1,865,612</u>	<u>2,618,847</u>
		6,745,261	14,935,432
CREDITORS			
Amounts falling due within one year	14	<u>21,133,190</u>	<u>19,831,136</u>
NET CURRENT LIABILITIES		<u>(14,387,929)</u>	<u>(4,895,704)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(4,777,534)	6,514,188
CREDITORS			
Amounts falling due after more than one year	15	(3,364,000)	(4,102,783)
PROVISIONS FOR LIABILITIES	19	<u>(647,641)</u>	<u>(643,574)</u>
NET (LIABILITIES)/ASSETS		<u>(8,789,175)</u>	<u>1,767,831</u>

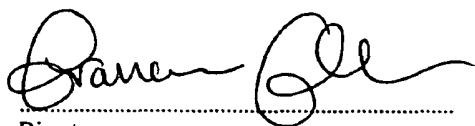
The notes form part of these financial statements

Spring Media Investments Limited (Registered number: 09931422)

Consolidated Balance Sheet - continued
31 December 2020

	Notes	£	2020	£	£	2019	£
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			(3,651,589)			(3,618,152)
Retained earnings	21			<u>(35,339,464)</u>			<u>(24,805,960)</u>
SHAREHOLDERS' FUNDS				(8,796,737)			1,774,236
NON-CONTROLLING INTERESTS				<u>7,562</u>			<u>(2,373)</u>
TOTAL EQUITY				<u>(8,789,175)</u>			<u>1,767,831</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22/12/2021 and were signed on its behalf by:


.....
Director

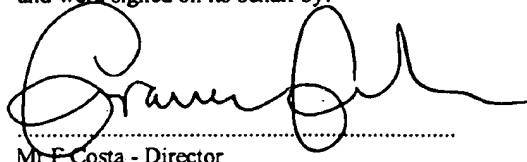
The notes form part of these financial statements

Spring Media Investments Limited (Registered number: 09931422)

Company Balance Sheet
31 December 2020

	Notes	2020 £	2019 £
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	16,763,140	12,773,331
CREDITORS			
Amounts falling due within one year	14	<u>1,854,293</u>	<u>-</u>
NET CURRENT ASSETS		<u>14,908,847</u>	<u>12,773,331</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,040,608	16,905,092
CREDITORS			
Amounts falling due after more than one year	15	2,214,234	-
PROVISIONS FOR LIABILITIES	19	<u>72,894</u>	<u>72,894</u>
NET ASSETS		<u>16,753,480</u>	<u>16,832,198</u>
CAPITAL AND RESERVES			
Called up share capital	20	280	280
Share premium	21	17,560,662	17,560,662
Retained earnings	21	<u>(807,462)</u>	<u>(728,744)</u>
SHAREHOLDERS' FUNDS		<u>16,753,480</u>	<u>16,832,198</u>
Company's loss for the financial year		<u>(78,718)</u>	<u>-</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22/12/2021 and were signed on its behalf by:



Mr F Costa - 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 2020

	Share capital £	Retained Earnings £	Share Premium £	Merger Reserve £	Forex Reserve £	Total £	Non-controlling Interests £	Total Equity £
Balance at 1 January 2019	280	(23,426,329)	17,660,662	12,533,374	(3,532,994)	3,234,993	25	3,235,018
Change in equity								
Total comprehensive loss	-	(1,379,631)	-	-	(85,158)	(1,464,789)	(2,398)	(1,467,187)
Balance at 31 December 2019	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	-	(10,533,504)	-	-	(33,437)	(10,566,941)	9,935	(10,557,006)
Balance at 31 December 2020	<u>280</u>	<u>(35,339,464)</u>	<u>17,660,662</u>	<u>12,533,374</u>	<u>(3,651,589)</u>	<u>(8,796,737)</u>	<u>7,562</u>	<u>(8,789,175)</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 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2019	280	(728,744)	17,560,662	16,832,198
Changes in equity				
Balance at 31 December 2019	<u>280</u>	<u>(728,744)</u>	<u>17,560,662</u>	<u>16,832,198</u>
Changes in equity		<u>(78,718)</u>		<u>(78,718)</u>
Balance at 31 December 2020	<u>280</u>	<u>(807,462)</u>	<u>17,560,662</u>	<u>16,753,480</u>

The notes form part of these financial statements

Spring Media Investments Limited

Consolidated Cash Flow Statement **for the Year Ended 31 December 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	593,269	6,927,461
Interest paid		(247,102)	(764,934)
Interest element of hire purchase payments paid		(52,311)	(38,741)
Finance costs paid		<u>180,169</u>	<u>107,690</u>
Net cash from operating activities		<u>474,025</u>	<u>6,231,476</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(401,270)	(784,139)
Purchase of tangible fixed assets		(796,087)	(2,733,129)
Sale of intangible fixed assets		382,256	-
Sale of tangible fixed assets		<u>34,064</u>	<u>550,604</u>
Net cash from investing activities		<u>(781,037)</u>	<u>(2,966,664)</u>
 Cash flows from financing activities			
New loans in year		5,002,340	-
Capital repayments in year		<u>(4,131,681)</u>	<u>(3,113,074)</u>
Net cash from financing activities		<u>870,659</u>	<u>(3,113,074)</u>
 Increase in cash and cash equivalents		<u>563,647</u>	<u>151,738</u>
Cash and cash equivalents at beginning of year	2	<u>941,688</u>	<u>789,950</u>
 Cash and cash equivalents at end of year	2	<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 2020**

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

	2020 £	2019 £
Loss before taxation	(10,459,255)	(1,317,458)
Depreciation charges	2,410,184	2,031,735
Profit on disposal of fixed assets	(2,675)	(9,518)
Unrealised foreign exchange differences	405	18,209
Interest accrued on loans payable	180,169	504,659
Share based payment charges	-	(2,072)
Finance costs	127,163	805,714
	(7,744,009)	2,031,269
(Increase)/decrease in stocks	(558)	390
Decrease in trade and other debtors	7,437,494	2,100,487
Increase in trade and other creditors	900,342	2,795,315
Cash generated from operations	593,269	6,927,461

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 2020

	2020 £	2019 £
Cash and cash equivalents	1,865,612	2,618,847
Bank overdrafts	(360,277)	(1,677,159)
	1,505,335	941,688

Year ended 31 December 2019

	2019 £	2018 £
Cash and cash equivalents	2,618,847	2,501,019
Bank overdrafts	(1,677,159)	(1,711,069)
	941,688	789,950

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 2020

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	2,618,847	(753,235)	1,865,612
Bank overdrafts	<u>(1,677,159)</u>	<u>1,316,882</u>	<u>(360,277)</u>
	<u>941,688</u>	<u>563,647</u>	<u>1,505,335</u>
Debt			
Finance leases	(526,974)	38,802	(488,172)
Debts falling due within 1 year	(3,792,297)	2,316,140	(1,476,157)
Debts falling due after 1 year	<u>-</u>	<u>(2,214,235)</u>	<u>(2,214,235)</u>
	<u>(4,319,271)</u>	<u>140,707</u>	<u>(4,178,564)</u>
Total	<u>(3,377,583)</u>	<u>704,354</u>	<u>(2,673,229)</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 2020**

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.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

Judgements in applying accounting policies and estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determined whether there are indications of impairment of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining the amount of revenue to recognise in respect of project based contracts which are ongoing at the year end. Factors taken into account in assessing the amount of revenue to recognise include project activity phases and costs incurred.
- Determination of 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.
- Determine the fair value of assets and liabilities acquired in a business combination. The value is determined by consideration of the specific assets and liabilities that have been acquired and whether it is appropriate to recognise value for either an asset or a liability in accordance with generally accepted practice.
- Determine the appropriate amount of contingent consideration to recognise on the initial recognition of a business combination and then subsequently at each reporting date, reassessing the fair value of the liability at that point. The value is determined by considering the expected future cash outflow based on the recognition criteria and expected performance of the acquired business in the future.

Changes in accounting policies

The depreciation rate for the fixed assets in the Group have been changed to the rates detailed in the tangible fixed assets policy.

This is as a result of the Group moving to a new software and bringing in the policies to be uniform amongst all group companies as they are a fairer representation of the useful life of the assets held by the companies. This change has resulted in additional depreciation charge of £108,283 for the year within Spring Studios Limited and there has been no other affect for any of the other companies within the Group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Going Concern

The financial statements have been prepared on the going concern basis. The Group has net current liabilities of £14,370,069 (2019: £4,895,704) and therefore, the Directors believe the use of the going concern basis to be appropriate.

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern.

The impact of COVID-19 on future performance and therefore on the measurement of some assets and liabilities or on liquidity is being assessed, but management has determined that they do not create a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

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 associates

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.

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.

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

2. 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.

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 2020**

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.

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.

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:

	2020	2019
	£	£
United Kingdom	10,490,797	27,154,191
Europe	7,878,633	3,795,879
Rest of World	14,051,127	36,904,601
	<u>32,420,557</u>	<u>67,854,671</u>

4. EMPLOYEES AND DIRECTORS

The average number of employees, including directors, during the year was 203 (2019: 212).

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

A defined contribution pension scheme is operated by the group on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund amounted to £177,977 (2019: £182,614).

The highest paid director received remuneration of £272,647 (2019: £320,213), including pension contributions of £7,960 (2019: £22,683). The total number of directors for which pension contributions were made during the year was 1 (2019: 1).

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

5. OPERATING LOSS

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

	2020	2019
	£	£
Hire of plant and machinery	292,113	294,769
Other operating leases	6,005	6,806
Depreciation - owned assets	1,154,468	860,387
Depreciation - assets on hire purchase contracts	320,946	181,432
Profit on disposal of fixed assets	(2,675)	(9,518)
Goodwill amortisation	805,042	645,510
Computer software amortisation	129,728	-
Foreign exchange differences	<u>30,577</u>	<u>46,885</u>

Included within the operating loss are exceptional costs of £1,532,888 (2019: £775,678).

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	-	25,439
Other loan interest	180,169	504,659
Finance charges	65,720	138,831
Late payments charges and interest	1,213	98,044
Hire purchase	<u>52,311</u>	<u>38,741</u>
	<u>299,413</u>	<u>805,714</u>

7. TAXATION

Analysis of the tax charge

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

	2020	2019
	£	£
Current tax:		
Overseas corporation tax	<u>64,314</u>	<u>58,141</u>
Tax on loss	<u>64,314</u>	<u>58,141</u>

UK corporation tax has been charged at 19% (2019 - 19%).

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

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:

	2020 £	2019 £
Loss before tax	<u>(10,459,255)</u>	<u>(1,317,458)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,987,258)	(250,317)
Effects of:		
Expenses not deductible for tax purposes	210,940	150,385
Depreciation in excess of capital allowances	117,651	98,055
Carry forward of tax losses	<u>1,594,353</u>	<u>60,018</u>
Total tax charge	<u>64,314</u>	<u>58,141</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 2020

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2020	7,609,330	-	7,609,330
Additions	-	401,270	401,270
Disposals	(382,256)	-	(382,256)
Transfer	-	32,033	32,033
Exchange differences	(102,690)	(19,244)	(121,934)
At 31 December 2020	<u>7,124,384</u>	<u>414,059</u>	<u>7,538,443</u>
AMORTISATION			
At 1 January 2020	3,303,723	-	3,303,723
Amortisation for year	805,042	129,728	934,770
Transfer	-	(10,633)	(10,633)
Exchange differences	(63,886)	(10,857)	(74,743)
At 31 December 2020	<u>4,044,879</u>	<u>129,504</u>	<u>4,174,383</u>
NET BOOK VALUE			
At 31 December 2020	<u>3,079,505</u>	<u>284,555</u>	<u>3,364,060</u>
At 31 December 2019	<u>4,305,607</u>	<u>-</u>	<u>4,305,607</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 2020**

10. TANGIBLE FIXED ASSETS

Group	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2020	5,507,687	4,448,358	4,248,389	2,299,176	16,503,610
Additions	340,030	155,304	83,714	217,039	796,087
Disposals	(24,736)	(44,709)	(14,874)	(16,308)	(100,627)
Transfer	-	-	-	(32,033)	(32,033)
Exchange differences	(181,556)	36,079	(8,227)	(210,298)	(364,002)
At 31 December 2020	<u>5,641,425</u>	<u>4,595,032</u>	<u>4,309,002</u>	<u>2,257,576</u>	<u>16,803,035</u>
DEPRECIATION					
At 1 January 2020	1,925,499	3,379,049	3,313,620	857,003	9,475,171
Charge for year	412,367	211,060	388,157	463,830	1,475,414
Eliminated on disposal	(14,987)	(48,900)	(5,351)	-	(69,238)
Transfer	-	-	-	10,633	10,633
Exchange differences	(63,565)	56,508	(22,175)	(232,573)	(261,805)
At 31 December 2020	<u>2,259,314</u>	<u>3,597,717</u>	<u>3,674,251</u>	<u>1,098,893</u>	<u>10,630,175</u>
NET BOOK VALUE					
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>
At 31 December 2019	<u>3,582,187</u>	<u>1,069,309</u>	<u>934,769</u>	<u>1,442,174</u>	<u>7,028,439</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 2020**

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 2020	1,847,091	567,644	2,414,735
Additions	<u>149,441</u>	<u>51,272</u>	<u>200,713</u>
At 31 December 2020	<u>1,996,532</u>	<u>618,916</u>	<u>2,615,448</u>
DEPRECIATION			
At 1 January 2020	1,259,036	164,487	1,423,523
Charge for year	<u>129,242</u>	<u>191,704</u>	<u>320,946</u>
At 31 December 2020	<u>1,388,278</u>	<u>356,191</u>	<u>1,744,469</u>
NET BOOK VALUE			
At 31 December 2020	<u>608,254</u>	<u>262,725</u>	<u>870,979</u>
At 31 December 2019	<u>588,055</u>	<u>403,157</u>	<u>991,212</u>

11. FIXED ASSET INVESTMENTS

Group

	Interest in associate £
COST	
At 1 January 2020	75,846
Exchange differences	<u>(2,371)</u>
At 31 December 2020	<u>73,475</u>
NET BOOK VALUE	
At 31 December 2020	<u>73,475</u>
At 31 December 2019	<u>75,846</u>

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

11. FIXED ASSET INVESTMENTS - continued

Company	Shares in group undertakings £
COST	
At 1 January 2020 and 31 December 2020	<u>4,131,761</u>
NET BOOK VALUE	
At 31 December 2020	<u>4,131,761</u>
At 31 December 2019	<u>4,131,761</u>

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	
	2020	2019
	£	£
Stocks	<u>12,082</u>	<u>11,524</u>

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	2,445,053	6,294,370	-	-
Amounts owed by group undertakings	-	-	16,763,140	12,773,331
Other debtors	860,120	1,403,718	-	-
Tax	134,717	134,717	-	-
Prepayments and accrued income	1,427,677	4,472,256	-	-
	<u>4,867,567</u>	<u>12,305,061</u>	<u>16,763,140</u>	<u>12,773,331</u>

At the balance sheet date £Nil (2019: £931,834) of debts subject to invoice discounting were outstanding in the Group and £Nil (2019: £Nil) in the company.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts (see note 16)	1,836,434	1,677,159	1,836,434	-
Hire purchase contracts (see note 17)	281,316	216,488	-	-
Trade creditors	5,831,952	6,662,470	-	-
Amounts owed to associates	222,973	80,679	-	-
Tax	72,276	36,961	-	-
Social security and other taxes	3,435,051	538,024	-	-
Other creditors	476,458	792,819	-	-
Accruals and deferred income	8,976,730	9,826,536	17,859	-
	<u>21,133,190</u>	<u>19,831,136</u>	<u>1,854,293</u>	<u>-</u>

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans (see note 16)	3,157,144	3,792,297	2,214,234	-
Hire purchase contracts (see note 17)	206,856	310,486	-	-
	<u>3,364,000</u>	<u>4,102,783</u>	<u>2,214,234</u>	<u>-</u>

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	360,277	1,677,159	360,277	-
Bank loans	<u>1,476,157</u>	<u>-</u>	<u>1,476,156</u>	<u>-</u>
	<u>1,836,434</u>	<u>1,677,159</u>	<u>1,836,433</u>	<u>-</u>
Amounts falling due between one and two years:				
Bank loans – 1-2 years	1,476,156		1,476,156	
Other loans - 1-2 years	<u>942,910</u>	<u>3,792,297</u>	<u>-</u>	<u>-</u>
	<u>2,419,066</u>	<u>3,792,297</u>	<u>1,476,156</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans – 2-5 years	<u>738,078</u>	<u>-</u>	<u>738,078</u>	<u>-</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2020	2019
	£	£
Gross obligations repayable:		
Within one year	317,202	262,341
Between one and five years	<u>217,064</u>	<u>336,639</u>
	<u>534,266</u>	<u>598,980</u>
Finance charges repayable:		
Within one year	35,886	45,853
Between one and five years	<u>10,208</u>	<u>26,153</u>
	<u>46,094</u>	<u>72,006</u>
Net obligations repayable:		
Within one year	281,316	216,488
Between one and five years	<u>206,856</u>	<u>310,486</u>
	<u>488,172</u>	<u>526,974</u>

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

17. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	3,708,351	3,906,363
Between one and five years	15,376,303	15,601,161
In more than five years	12,394,181	16,072,311
	<u>31,478,835</u>	<u>35,579,835</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2020	2019
	£	£
Bank overdraft	<u>360,277</u>	<u>1,677,159</u>

19. PROVISIONS FOR LIABILITIES

	Group	
	2020	2019
	£	£
Deferred tax	<u>195,090</u>	<u>195,090</u>
Other provisions	<u>452,551</u>	<u>448,484</u>
Aggregate amounts	<u>647,641</u>	<u>643,574</u>
Group		
	Deferred tax	Withholding Tax
	£	£
Balance at 1 January 2020	195,090	448,484
Movement in the year	-	4,067
Balance at 31 December 2020	<u>195,090</u>	<u>452,551</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 2020**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020 £	2019 £
Number:	Class:			
28,012,562	ordinary	0.00001	<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 2020, 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.

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 £2,988,925 (2019: £3,404,905).

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

Spring Media Investments Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 31 December 2020**

24. 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:

	2020 Weighted average exercise price (£)	2020 Number	2019 Weighted average exercise price (£)	2019 Number
Outstanding at 1 January	1	171,000	1	461,000
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	(290,000)
Outstanding at 31 December	1	171,000	1	171,000

Share options outstanding at 31 December 2020 had a weighted average exercise price of £1.00 and a weighted average remaining contractual life of 5 years (2019: 6 years). There are no performance conditions attached to any of the share options granted up to the balance sheet date, other than continued employment to the vesting date.

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:

	2020 £	2019 £
Equity-settled schemes	-	-