

Registration number: 10089966

# HeyDay Television Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



## **HeyDay Television Limited**

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## **HeyDay Television Limited**

### **Company Information**

<b>Directors</b>	D J Heyman J L Wachtel
<b>Registered office</b>	1 Central St Giles St Giles High Street London WC2H 8NU
<b>Auditors</b>	Deloitte LLP Statutory Auditor London, UK

## HeyDay Television Limited

### Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

In preparing this strategic report, the directors have complied with Section 414C of the Companies Act 2006.

#### Principal activity

The principal activity of the company is TV production.

#### Results

The loss for the period, after taxation, amounted to £1,235,000 (2018: £339,000)

The company has net assets of £101,000 (2018: net assets of £1,252,000) out of which £4,460,000 to (2018: £3,879,000) is due from fellow group companies.

#### Enhanced business review

The company increased turnover in 2019 to £10,476,000 (2018: £5,428,000) due to an increase in production hours delivered. The loss before tax has increased from the prior period as a result of higher operating expenses.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Operating margin	%	(11.80)	(6.23)
Gross margin	%	2.18	(.01)
Net profit	%	(11.80)	(6.23)

## HeyDay Television Limited

### Strategic Report for the Year Ended 31 December 2019

#### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to the risks affecting the group companies which it provides services to. These are the competitive pressures within the entertainment industry, a challenging macroeconomic environment, rapid technological change and increased risk of piracy.

#### Market Risks

The company operates in an intensely competitive, consumer-driven and rapidly changing environment and competes with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information products and services to consumers. Technological changes are further intensifying and complicating the competitive landscape for the company by challenging existing business models and affecting consumer behaviour.

#### Financial Risks

The company is fully supported within the group, which manages a mixture of debt and equity funding in order to minimise risk exposure and enable optimal business performance. Consequently, the company does not hold external debt and is resilient to risks arising from movements in interest rates. The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company enters into derivative financial instruments, from time to time, in order to mitigate the risks of changes in foreign currency exchange rates.

Policies have been implemented with the company to minimise liquidity risk, through maintenance of an internal reporting structure based on cash targets. Additionally, appropriate credit checks are carried out for all potential customers before contracts are entered into, with status monitoring taking place throughout.

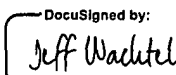
#### Risks associated with the coronavirus outbreak

On March 11, 2020, the World Health Organization declared the recent novel coronavirus ("COVID-19") outbreak a pandemic. In response to the outbreak many countries have implemented measures to combat the outbreak. The COVID-19 outbreak has caused suspension of studio production operations. We are currently unable to accurately predict the duration of this business disruption. The ultimate financial impact this disruption and COVID-19 will have on the Company is difficult to predict at this time, but the impact could have a material adverse effect on its results of operations over the near to medium term. However, we continue to monitor the situation closely including the impacts of COVID-19 on our results.

#### Future developments

The extent to which COVID-19 will impact the Company's results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the virus and the actions to contain or treat its impact.

Approved by the Board on 19 June 2020 and signed on its behalf by:

DocuSigned by:  
  
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J L Wachtel  
Director

## **HeyDay Television Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditor's report for the year ended 31 December 2019.

#### **Future developments**

For future developments, please refer to the Strategic Report on page 3.

#### **Important non adjusting events after the financial period**

As noted in the strategic report, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. While this could have a material adverse affect on the Company's results, we consider this to be a non-adjusting subsequent event and, as such, there was no impact on the financial information presented as at and for the year ended 31 December 2019.

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

For financial risk management objectives and policies please refer to the Strategic Report on page 3.

#### **Research and development**

The company continues to invest in development through a mixture of broadcaster funded and in-house supported projects.

#### **Dividends**

The directors did not declare payment of a final dividend (2018: £nil).

The directors did not declare an interim dividend for the year (2018: £nil).

#### **Directors of the company**

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

D J Heyman

J L Wachtel (appointed 8 January 2019)

#### **Directors' indemnities**

The company has made no qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Going concern**

The directors have reviewed the current financial performance and position of the company and the uncertainties surrounding the impact of COVID-19, including a stress test assessment of the cash requirements of the business under a prolonged period of lockdown with limited revenue. As a result, the directors believe that the business is likely to be reliant on group support in order to meet its current and long-term liquidity and capital requirements. Accordingly, the company has received confirmation of support from Comcast Corporation for a period of at least 12 months from the date of signing of these financial statements.

As a result, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, with net assets of £101,000, and hence continue to adopt the going concern basis of accounting in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 2 to the financial statements.

## HeyDay Television Limited

### Directors' Report for the Year Ended 31 December 2019

#### Disclosure of information to the auditors

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

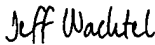
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### Reappointment of auditors

Deloitte LLP has indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting. This information is given and should be interpreted in accordance with the provisions of Section 487 of the Company's Act 2006.

Approved by the Board on 19 June 2020 and signed on its behalf by:

DocuSigned by:  
  
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J L Wachtel  
Director

## **HeyDay Television Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **HeyDay Television Limited**

### **Independent Auditor's Report to the Members of HeyDay Television Limited**

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

##### **Opinion**

In our opinion the financial statements of HeyDay Television Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **HeyDay Television Limited**

### **Independent Auditor's Report to the Members of HeyDay Television Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

##### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

## **HeyDay Television Limited**

### **Independent Auditor's Report to the Members of HeyDay Television Limited**

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

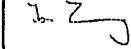
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

We have nothing to report in respect of these matters.

#### **Use of our report**

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

DocuSigned by:



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Jon Young FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor

London, UK

19 June 2020

**HeyDay Television Limited****Profit and Loss Account for the Year Ended 31 December 2019**

	Note	Year ended 31 December 2019 £ 000	1 April 2018 to 31 December 2018 £ 000
Turnover	3	10,476	5,428
Cost of sales		<u>(10,248)</u>	<u>(5,429)</u>
Gross profit/(loss)		228	(1)
Administrative expenses		<u>(1,463)</u>	<u>(338)</u>
Operating loss	4	<u>(1,235)</u>	<u>(339)</u>
Loss before taxation		(1,235)	(339)
Tax (expense) / credit	7	<u>-</u>	<u>-</u>
Loss for the financial year	13	<u><u>(1,235)</u></u>	<u><u>(339)</u></u>

The above results were derived from continuing operations.

# **HeyDay Television Limited**

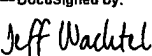
## **Statement of Other Comprehensive Income for the Year Ended 31 December 2019**

	31 December 2019 £ 000	31 December 2018 £ 000
Loss for the year	(1,235)	(339)
Foreign exchange differences on a net investment in a foreign operations	<u>84</u>	<u>(211)</u>
Total comprehensive loss for the year	<u>(1,151)</u>	<u>(550)</u>

**HeyDay Television Limited**  
**(Registration number: 10089966)**  
**Balance Sheet as at 31 December 2019**

	Note	31 December 2019 £ 000	31 December 2018 £ 000
<b>Fixed assets</b>			
Tangible assets	8	167	309
<b>Current assets</b>			
Work in progress	9	3,680	1,987
Debtors	10	227	852
Cash at bank and in hand		1,947	5,728
		<u>5,854</u>	<u>8,567</u>
Creditors: Amounts falling due within one year	11	<u>(5,920)</u>	<u>(7,624)</u>
Net current (liabilities)/assets		<u>(66)</u>	<u>943</u>
Total assets less current liabilities		<u>101</u>	<u>1,252</u>
Net assets		<u>101</u>	<u>1,252</u>
<b>Capital and reserves</b>			
Called up share capital	12	3,673	3,673
Retained earnings	13	<u>(3,572)</u>	<u>(2,421)</u>
Shareholder's funds		<u>101</u>	<u>1,252</u>

The financial statements have been approved and authorised for issue by the Board on 19 June 2020 and signed on its behalf by:

DocuSigned by:  
  
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J L Wachtel  
 Director

# **HeyDay Television Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2019**

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2018	2,340	(1,871)	469
Loss for the year	-	(339)	(339)
Other comprehensive loss	-	(211)	(211)
Total comprehensive loss	-	(550)	(550)
New share capital subscribed	1,333	-	1,333
At 31 December 2018	<u>3,673</u>	<u>(2,421)</u>	<u>1,252</u>
	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	<u>3,673</u>	<u>(2,421)</u>	<u>1,252</u>
Loss for the year	-	(1,235)	(1,235)
Other comprehensive income	-	84	84
Total comprehensive loss	-	(1,151)	(1,151)
At 31 December 2019	<u><u>3,673</u></u>	<u><u>(3,572)</u></u>	<u><u>101</u></u>

The notes on pages 15 to 25 form an integral part of these financial statements.

# HeyDay Television Limited

## Statement of Cash Flows for the Year Ended 31 December 2019

	Note	31 December 2019 £ 000	31 December 2018 £ 000
<b>Cash flows from operating activities</b>			
Loss for the year		(1,235)	(339)
Adjustments to cash flows from non-cash items			
Depreciation of tangible assets	4	141	-
Amortisation of work in progress	4	10,116	5,428
Foreign exchange (gains) / losses		(21)	(104)
		9,001	4,985
Working capital adjustments			
Increase in work in progress	9	(11,795)	(6,699)
Decrease/(increase) in trade debtors	10	623	(546)
(Decrease)/increase in trade creditors	11	(1,677)	5,934
Net cash flow from operating activities		(3,848)	3,674
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(9)	-
Proceeds from sale of tangible assets		-	18
Net cash flows from investing activities		(9)	18
<b>Cash flows from financing activities</b>			
Proceeds from issue of preference share capital		-	1,333
Net cash flows from financing activities		-	1,333
Net (decrease)/increase in cash and cash equivalents		(3,857)	5,025
Cash and cash equivalents at 1 January		5,728	913
Effect of exchange rate fluctuations on cash held		76	(210)
Cash and cash equivalents at 31 December		1,947	5,728

The notes on pages 15 to 25 form an integral part of these financial statements.



## **HeyDay Television Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

The Company's principal activity is TV production. The Company is a private company limited by share capital, incorporated in United Kingdom and registered in England & Wales.

The address of its registered office is 1 Central St Giles, St Giles High Street, London, WC2H 8NU.

#### **2 Accounting policies**

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

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

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

##### **Basis of preparation**

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

The functional currency of HeyDay Television Limited is pounds sterling because that is the currency of the primary economic environment in which the company operates.

##### **Going concern**

Given the integrated nature of the Group's financial planning and treasury functions, the impact of COVID-19 on the Company's operations and funding requirements has been assessed at the Group level. The uncertainty around COVID-19 makes it challenging for management to estimate with precision the future performance of our business but we expect the impact of COVID-19 to increase in significance in the second quarter of 2020, and to have a material adverse impact on our results of operations over the near to medium term. We have reviewed the current financial performance and position of the company and the uncertainties surrounding the impact of COVID-19, including a stress test assessment of the cash requirements of the business under a prolonged period of lockdown with limited revenue. As a result, the directors believe that the business is likely to be reliant on group support in order to meet its current and long-term liquidity and capital requirements. Accordingly, the company has received confirmation of support from Comcast Corporation for a period of at least 12 months from the date of signing of these financial statements.

On the basis of our assessment, we have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, with net assets of £101,000, and hence continue to adopt the going concern basis of accounting in preparing the financial statements.

## **HeyDay Television Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Critical accounting judgements**

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

Management makes an estimate of the recoverable value of its trade debtors given. When assessing impairment of debtors, management considers the credit-worthiness of the borrower, the existing and future trading cashflows, the economic environment in which the business operates and historical repayment experience. Refer to note 10 for the carrying amount of debtors.

Determining whether there are indicators of impairment of the company's WIP in development and investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

#### **Key sources of estimation uncertainty**

Estimates are used in determining the ultimate revenue on secondary sales of titles which impacts the level or amortisation on Television Costs. Refer to the accounting policy for Work in Progress in Note 2 for more detail. . The carrying amount is £3,680,000 (2018 -£1,987,000).

#### **Turnover**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

#### **Finance income and costs policy**

Interest receivable is recognised as interest accrues, using the effective interest rate method. All interest receivable is recognised in the profit and loss account.

Interest payable is recognised as interest accrues. All interest payable is recognised in the profit and loss account.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

The tax expense for the period comprises tax. Tax is recognised in the profit or loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

## HeyDay Television Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

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

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

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

##### **Asset class**

Long leasehold land and buildings

##### **Depreciation method and rate**

Over the period of the lease

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade debtors are derecognised when the contractual rights to the cash flows from the trade debtor expire or are settled

#### **Work in progress**

Work in progress is a reflection of the costs directly incurred in programme creation, which are held on the balance sheet until successful delivery of a project.

The company uses a long term contract accounting method for work in progress with respect to its programme creation. This basis considers all expected revenue streams, costs of production, distribution and exploitation in order to estimate a profit margin for the project. Revenue is recognised proportionally in line with the anticipated margin. The assumptions on which the original model was based are reviewed periodically by management's review of impairment.

Estimates are used in determining the ultimate revenue on sales of titles which impacts the level of amortisation of work in progress assets.

## **HeyDay Television Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised at the transaction price. Trade creditors are derecognised only when the obligation specified in the contract has been discharged, cancelled or expires.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## HeyDay Television Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 3 Revenue

The analysis of the company's turnover for the year from continuing operations is as follows:

	Year ended 31 December 2019 £ 000	1 April 2018 to 31 December 2018 £ 000
Rendering of services	<u>10,476</u>	<u>5,428</u>

An analysis of turnover by geographical market is given below:

	Year ended 31 December 2019 £ 000	1 April 2018 to 31 December 2018 £ 000
UK	10,026	5,428
USA	65	-
Rest of World	<u>385</u>	<u>-</u>
	<u>10,476</u>	<u>5,428</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	Year ended 31 December 2019 £ 000	1 April 2018 to 31 December 2018 £ 000
Depreciation expense	141	-
Amortisation expense	10,116	5,428
Foreign exchange gains	<u>(53)</u>	<u>(115)</u>

#### 5 Auditors' remuneration

	31 December 2019 £ 000	1 April 2018 to 31 December 2018 £ 000
Audit of the financial statements	<u>17</u>	<u>-</u>

## HeyDay Television Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 6 Staff numbers and costs

The aggregate payroll costs (including directors' remuneration) paid by other companies, and recharged to the company, were as follows:

	Year ended 31 December 2019 £ 000	1 April 2018 to 31 December 2018 £ 000
Wages and salaries	477	149
Social security costs	75	1
Pension costs, defined contribution scheme	36	-
	<u>588</u>	<u>150</u>

The average number of persons working for the company (including directors) during the year was 5. These people were contractually employed by Universal Media Studios International Limited.

The directors did not receive any remuneration through the company in the current year (2018: Nil).

#### 7 Taxation

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax 19% (2018 - 19%) to the profit before tax is as follows:

	Year ended 31 December 2019 £ 000	1 April 2018 to 31 December 2018 £ 000
Loss before tax	<u>(1,235)</u>	<u>(339)</u>
Corporation tax at standard rate	(235)	(64)
Increase (decrease) from tax losses for which no deferred tax asset was recognised	208	64
Other timing differences not recognised	<u>27</u>	<u>-</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

#### Deferred tax

There are deferred tax assets of £653,572 (2018 - £416,342) relating to unused tax losses and £3,027 (2018 - (£26,111)) relating to other timing differences, which are not recognised on the Balance Sheet.

## HeyDay Television Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

The rate of UK corporation tax that was in effect at the balance sheet date was 19%.

Deferred tax assets and liabilities on timing differences and tax losses have been calculated at the rate at which they are expected to reverse. There is no expiry date on timing differences or tax losses.

#### 8 Tangible assets

	Land and buildings £ 000	Total £ 000
<b>Cost or valuation</b>		
At 1 January 2019	309	309
Additions	9	9
Foreign exchange movements	(14)	(14)
At 31 December 2019	<u>304</u>	<u>304</u>
<b>Depreciation</b>		
At 1 January 2019	-	-
Charge for the year	141	141
Foreign exchange movements	(4)	(4)
At 31 December 2019	<u>137</u>	<u>137</u>
<b>Carrying amount</b>		
At 31 December 2019	<u>167</u>	<u>167</u>
At 31 December 2018	<u>309</u>	<u>309</u>

Included within the net book value of land and buildings above is £167,016 (2018 : £308,506) in respect of long leasehold land and buildings.

## HeyDay Television Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 9 Work in Progress

	Production WIP £ 000	Development WIP £ 000	Total £ 000
<b>Cost</b>			
At 1 January 2019	6,855	560	7,415
Additions / Transfers	11,417	378	11,795
Foreign exchange movements	-	14	14
At 31 December 2019	<u>18,272</u>	<u>952</u>	<u>19,224</u>
<b>Amortisation</b>			
At 1 January 2019	(5,428)	-	(5,428)
Amortisation Charge	(10,116)	-	(10,116)
At 31 December 2019	<u>(15,544)</u>	<u>-</u>	<u>(15,544)</u>
<b>Carrying amount</b>			
At 31 December 2019	<u>2,728</u>	<u>952</u>	<u>3,680</u>
At 31 December 2018	<u>1,427</u>	<u>560</u>	<u>1,987</u>

#### 10 Debtors

	Note	31 December 2019 £ 000	31 December 2018 £ 000
Trade debtors		194	347
Owed by related parties	14	7	223
Accrued income		-	1
Prepayments		9	11
VAT Receivable		<u>17</u>	<u>270</u>
Total current trade and other receivables		<u>227</u>	<u>852</u>

The balance of owed by related parties includes £7,000 from other NBCUniversal group companies.

Interest will be received at market rate from group undertakings on balances which are not trade in nature. These balances are repayable on demand.



## HeyDay Television Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 11 Creditors

	Note	31 December 2019 £ 000	31 December 2018 £ 000
<b>Due within one year</b>			
Trade creditors		8	3
VAT payable		-	918
Other payables		12	-
Accruals and deferred income		1,433	2,601
Owed to related parties	14	<u>4,467</u>	<u>4,102</u>
		<u>5,920</u>	<u>7,624</u>

Interest will be paid at market rate to group undertakings on balances which are not trade in nature. These balances are repayable on demand.

The balance of owed to related parties includes £4,391,000 to Universal Media Studios International Limited, £70,000 to subsidiaries and £6,000 to other related parties.

#### 12 Share capital

##### Allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.01 each	-	-	-	-
Preference of £0.01 each	<u>50</u>	<u>0.50</u>	<u>50</u>	<u>0.50</u>
	50	-	50	-

#### 13 Reserves

##### Profit and loss account

The profit and loss account reserve represents cumulative profits or losses net of dividends paid and other adjustments.

## HeyDay Television Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 14 Related party transactions

	(Income)/ Expensed 2019 £000	Receivable/ (payable) at 31 December 2019 £000
<b>Universal Media Studios International Ltd</b>		
Service charges, payroll costs, overhead costs, development costs, rent	939	(142)
Loan	-	(4,249)
<b>HTVP Limited</b>		
Production fee	70	(70)
Production services provided	(1,289)	
<b>Universal Television Enterprises LLC</b>		
Payroll costs	80	(6)
<b>Universal City Studios LLP</b>		
Administration costs	5	7

Universal Media Studios International Ltd, who has 50% control of HeyDay Television Limited, is a 100% owned subsidiary of NBCUniversal Media LLC.

HTVP Limited is a 100% owned subsidiary of HeyDay Television Limited.

Universal City Studios LLC and Universal Television Enterprises LLC are 100% owned subsidiaries of NBCUniversal Media LLC.

#### 15 Control

The company is 50% owned by Universal Media Studios International Limited, a company incorporated in England and Wales. The remaining 50% of the company is owned by various third parties. There is no ultimate controlling party.

## **HeyDay Television Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **16 Subsequent events**

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In response to the outbreak many countries have implemented measures to combat the outbreak. The ultimate financial impact this disruption and COVID-19 will have on the Company is difficult to predict at this time, but the impact could have a material adverse effect on its results of operations over the near to medium term. However, we continue to monitor the situation closely including the impacts of COVID-19 on our results. We consider this to be a non-adjusting subsequent event and, as such while this has been considered as part of the assessment of going concern, there was no impact on the financial information presented as at and for the year ended 31 December 2019.