

Registered number: 10135665

SILVERGATE TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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SILVERGATE TOPCO LIMITED

COMPANY INFORMATION

Directors

Lord Waheed Alli
Viscount William Waldorf Astor
Mark Roy Forrester (appointed 9 December 2019)
Maria Anguelova (appointed 9 December 2019)
Richard John Parsons (appointed 9 December 2019)
Wayne Fernley Garvie (appointed 9 December 2019)
Michael Charles Hermann (appointed 16 March 2020)

Registered number

10135665

Registered office

Fourth Floor York House
23 Kingsway
London
WC2B 6UJ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

SILVERGATE TOPCO LIMITED

CONTENTS

	Page
Group strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Consolidated statement of comprehensive income	8
Consolidated statement of financial position	9
Company statement of financial position	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated Statement of cash flows	13 - 14
Notes to the financial statements	15 - 38

SILVERGATE TOPCO LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Introduction

The directors present their Strategic report for the company's accounts, for the year ended 31 March 2020.

Business review

Turnover for the year ended 31 March 2020 was \$21.4m (2019: \$32.1m), and the profit after tax was \$1.5m (2019: profit of \$3.6m). These results are in line with the directors' expectations and reflect the ongoing costs and investment in productions through 2019 and 2020.

The Group's generates profit from the production and distribution children's television entertainment and exploitation of the related intellectual property. The main pre school brand, the Octonauts, has now aired in over 100 countries and continues to generate revenues from toy, merchandising, TV, and other licensing with additional content in production. The Group is also producing TV content for other IP such as Hilda and Chico Bon Bon.

This historic investment in production will continue to generate future licensing and merchandise revenue streams in existing key markets as well as in new and developing territories. Further, significant investment in development means additional commissions are expected in the periods ahead.

Principal risks and uncertainties**Competition**

The market in which the Group operates is competitive. The key challenges are in securing broadcaster television sales as well as licensing and merchandise partners in key territories to deliver products to market.

Financial key performance indicators

The directors monitor the growth of the business by reference to certain key financial performance indicators, including turnover, gross profit and profit and loss after taxation as shown in the attached financial statements.

Future developments

The principle activities of the Group are expected to continue as they are for the foreseeable future. The Group will continue to exploit its rights and invest in its existing brands and to create new content, both with local and international broadcasters and licensing partners.

This report was approved by the board and signed on its behalf.



Lord Waheed Alli
Director

Date: 26/3/2021

SILVERGATE TOPCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

Results and dividends

The profit for the year, after taxation, amounted to \$1,447,956 (2019: \$3,581,928).

The directors have not recommended the payment of a dividend.

Directors

The directors who served during the year were:

Lord Waheed Alli
Viscount William Waldorf Astor
Alan Henri Resnikoff (resigned 9 December 2019)
William John Wynperle (resigned 9 December 2019)
Mark Roy Forrester (appointed 9 December 2019)
Maria Anguelova (appointed 9 December 2019)
Michael Charles Hopkins (appointed 9 December 2019, resigned 21 February 2020)
Richard John Parsons (appointed 9 December 2019)
Wayne Fernley Garvie (appointed 9 December 2019)
Michael Charles Hermann (appointed 16 March 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 and profit or loss for the Company and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 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.

Future developments

The principle activities of the Group are expected to continue as they are for the foreseeable future. The Group will continue to exploit its rights and invest in its existing brands and to create new content, both with local and international broadcasters and licensing partners.

SILVERGATE TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Disclosure of information to auditor

The directors confirm that:

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

Auditor

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

This report was approved by the board and signed on its behalf.

Waheed Ali

Lord Waheed Ali
Director

Date: 26/3/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERGATE TOPCO LIMITED

Opinion

We have audited the of Silvergate Topco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and 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 :

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2020 and of the Group's profit 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 'Auditor's responsibilities for the audit of the ' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the 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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERGATE TOPCO LIMITED (CONTINUED)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic report and Directors' report, other than the and our Auditor's report thereon. Our opinion on the 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 , our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 this regard.

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 Directors' report for the financial year for which the are prepared is consistent with the ; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERGATE TOPCO LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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 Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the 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 that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 .

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERGATE TOPCO LIMITED
(CONTINUED)**

Use of our report

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

N. Page

Nicholas Page
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 26/3/2021

SILVERGATE TOPCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 \$	2019 \$
Turnover	4	21,434,452	32,115,053
Cost of sales		(12,214,255)	(13,194,344)
Gross profit		9,220,197	18,920,709
Administrative expenses		(10,895,808)	(7,976,959)
Fair value movements		215,831	(176,344)
Operating profit before share of associate	5	(1,459,780)	10,767,406
Share of profit of associates		71,005	(3,854,080)
Total operating (loss)/profit		(1,388,775)	6,913,326
Gain on disposal of subsidiary	9	4,357,337	-
Interest receivable and similar income	10	214,295	-
Interest payable and expenses	11	(282,981)	(845,202)
Profit before taxation		2,899,876	6,068,124
Tax on profit		(1,451,920)	(2,486,196)
Profit for the financial year		1,447,956	3,581,928

There were no recognised gains and losses for 2020 or 2019 other than those included in the Consolidated Statement of comprehensive income.

There was no other comprehensive income for 2020 (2019: \$Nil).

The notes on pages 15 to 38 form part of these financial statements.

SILVERGATE TOPCO LIMITED
REGISTERED NUMBER:10135665

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 \$	2019 \$
Fixed assets			
Intangible assets	13	24,958,879	10,807,495
Tangible assets	14	16,790	141,521
Investments	15	14,299,094	15,798,909
		<u>39,274,763</u>	<u>26,747,925</u>
Current assets			
Work in progress	16	40,300	315,774
Debtors: amounts due within one year	17	24,104,251	22,621,833
Cash at bank and in hand	18	10,122,403	12,166,744
		<u>34,266,954</u>	<u>35,104,351</u>
Creditors: amounts due within one year	19	(30,456,578)	(11,842,998)
Net current assets		<u>3,810,376</u>	<u>23,261,353</u>
Total assets less current liabilities		<u>43,085,139</u>	<u>50,009,278</u>
Creditors: amounts due after more than one year	20	-	(8,733,353)
Provisions for liabilities			
Deferred taxation	23	(3,012,835)	(2,651,577)
		<u>(3,012,835)</u>	<u>(2,651,577)</u>
Net assets		<u><u>40,072,304</u></u>	<u><u>38,624,348</u></u>
Capital and reserves			
Share capital	24	142	142
Share premium account	25	50,376,574	50,376,574
Retained earnings	25	(10,304,412)	(11,752,368)
		<u><u>40,072,304</u></u>	<u><u>38,624,348</u></u>

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

Lord Waheed Alli
 Director

Waheed Alli

Date: 26/3/2021

The notes on pages 15 to 38 form part of these financial statements.

SILVERGATE TOPCO LIMITED
REGISTERED NUMBER:10135665

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 \$	2019 \$
Fixed assets			
Investments	15	24,869,808	24,869,808
		<u>24,869,808</u>	<u>24,869,808</u>
Current assets			
Debtors: amounts due within one year	17	26,546,540	26,509,346
		<u>26,546,540</u>	<u>26,509,346</u>
Creditors: amounts due within one year	19	(1,759,193)	(1,564,896)
		<u>(1,759,193)</u>	<u>(1,564,896)</u>
Net current assets		<u>24,787,347</u>	<u>24,944,450</u>
Total assets less current liabilities		<u>49,657,155</u>	<u>49,814,258</u>
Net assets		<u>49,657,155</u>	<u>49,814,258</u>
Capital and reserves			
Share capital	24	142	142
Share premium account	25	50,376,574	50,376,574
Retained earnings brought forward		(562,458)	(188,415)
Loss for the year		(157,103)	(374,043)
Retained earnings		(719,561)	(562,458)
		<u>49,657,155</u>	<u>49,814,258</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Waheed Alli

Lord Waheed Alli
 Director

The notes on pages 15 to 38 form part of these financial statements.

SILVERGATE TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital \$	Share premium \$	Retained earnings \$	Total equity \$
At 1 April 2019	142	50,376,574	(11,752,368)	38,624,348
Comprehensive income for the year				
Profit for the year	-	-	1,447,956	1,447,956
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,447,956	1,447,956
Total transactions with owners	-	-	-	-
At 31 March 2020	142	50,376,574	(10,304,412)	40,072,304

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Share capital \$	Share premium \$	Retained earnings \$	Total equity \$
At 1 April 2018	142	50,376,574	(15,334,296)	35,042,420
Comprehensive income for the year				
Profit for the year	-	-	3,581,928	3,581,928
Total comprehensive income for the year	-	-	3,581,928	3,581,928
Total transactions with owners	-	-	-	-
At 31 March 2019	142	50,376,574	(11,752,368)	38,624,348

The notes on pages 15 to 38 form part of these financial statements.

SILVERGATE TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Share capital \$	Share premium \$	Retained earnings \$	Total equity \$
At 1 April 2019	142	50,376,574	(562,458)	49,814,258
Comprehensive income for the year				
Loss for the year	-	-	(157,103)	(157,103)
Total comprehensive income for the year	-	-	(157,103)	(157,103)
At 31 March 2020	142	50,376,574	(719,561)	49,657,155

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital \$	Share premium \$	Retained earnings \$	Total equity \$
At 1 April 2018	142	50,376,574	(188,415)	50,188,301
Comprehensive income for the year				
Loss for the year	-	-	(374,043)	(374,043)
Total comprehensive income for the year	-	-	(374,043)	(374,043)
Total transactions with owners	-	-	-	-
At 31 March 2019	142	50,376,574	(562,458)	49,814,258

The notes on pages 15 to 38 form part of these financial statements.

SILVERGATE TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 \$	2019 \$
Cash flows from operating activities		
Profit for the financial year	1,447,956	3,581,928
Adjustments for:		
Amortisation of intangible assets	187,897	4,218,049
Depreciation of tangible assets	133,497	78,726
Interest paid	282,980	845,202
Interest received	(214,295)	-
Taxation charge	1,451,920	2,486,196
Decrease/(increase) in work in progress	275,474	(298,139)
(Increase) in debtors	(5,697,913)	(4,287,934)
Decrease in amounts owed by groups	125,319	1,769,927
Decrease in amounts owed by related undertakings	4,215,494	-
(Decrease) in creditors	(1,677,307)	(6,035,079)
Increase in amounts owed to related undertakings	19,883,378	-
Net fair value (gains)/losses recognised in P&L	(215,831)	176,344
Share of operating loss in associates	(1,499,815)	3,880,863
Corporation tax received	-	28,401
Net cash generated from operating activities	18,698,754	6,444,484
Cash flows from investing activities		
Purchase of intangible fixed assets	(14,339,281)	(7,407,357)
Purchase of tangible fixed assets	(373,744)	(117,545)
Sale of tangible fixed assets	364,979	24,625
Sale of subsidiary	4,356,989	-
Interest received	214,295	-
Net cash from investing activities	(9,776,762)	(7,500,277)

SILVERGATE TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	\$	\$
Cash flows from financing activities		
Repayment of loan notes	(10,683,353)	(5,000,000)
New production loans	-	5,469,835
Interest paid	(282,980)	(548,249)
Net cash used in financing activities	<u>(10,966,333)</u>	<u>(78,414)</u>
Net (decrease) in cash and cash equivalents	<u>(2,044,341)</u>	<u>(1,134,207)</u>
Cash and cash equivalents at beginning of year	12,166,744	13,300,951
Cash and cash equivalents at the end of year	<u><u>10,122,403</u></u>	<u><u>12,166,744</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	10,122,403	12,166,744
	<u><u>10,122,403</u></u>	<u><u>12,166,744</u></u>

The notes on pages 15 to 38 form part of these financial statements.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Silvergate Topco Limited is a private company limited by shares and incorporated in England and Wales.

Its registered office is located at Fourth Floor York House, 23 Kingsway, London, WC2B 6UJ.

Its registration number is 10135665.

The principal activity of the Group during the year was the production of television programmes.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The financial statements are presented in US Dollar (\$).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The company has taken the available reduced disclosure exemption under FRS102 to not produce a cashflow in its individual financial statements.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.3 Associates and joint ventures**

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 Going concern

After reviewing the Group's budget and projections the directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future, being at least 12 months from the approval of these financial statements. This review included assessing the likely impact of Covid-19 across the Group. This was informed by trading from the balance sheet date which showed that the business continued to perform robustly. The Company has developed a strong IP portfolio which it expects to be able to monetise for the foreseeable future along with a strong and flexible production model.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.5 Revenue*****Television***

Television income recognised in the Statement of comprehensive income represents amounts receivable for the sale of television productions to broadcasters. Revenue is recognised as the company fulfills its obligations under the contract with the broadcaster. Distribution contracts where content is available for immediate distribution are generally recognised at a point in time. Production contracts where content is commissioned for production are generally recognised as the content is produced. The stage of completion of such contracts at the end of the reporting period is measured using costs incurred.

Licensing and Merchandising

Licensing and merchandising royalty income is recognised in the financial statements when informed and notified by the distribution partner.

Where material non-refundable advances are received, are to be recouped by distribution partners over a licence period, and the group still has obligations to fulfil across the licence period, these are deferred and released in line with royalties as they are earned. Any remaining deferral at the end of the licence period is released at the point the company has no further obligations to perform.

Where non-refundable advances are received and there are no obligations for the group to deliver across the licence period, these are recognised at a point in time once delivery is deemed to have occurred.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)
2.6 Intangible assets
Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property rights	-	5 years
Customer relationships	-	Over the period of the contract
Production intangibles - Complete	-	Using forecast future revenues
Production intangibles - Incomplete	-	Not yet amortised

Production intangibles - Complete are amortised in line with revenues recognised versus total anticipated forecasted revenues. The forecasted future exploitation revenues are reviewed regularly to ensure the forecasted gross contribution exceeds the balance of capitalised cost. Where future forecasted revenues reduce permanently versus original estimates, the rate of amortisation increases. Where future forecasted revenues increase, the rate of amortisation will remain as originally estimated.

Productions intangibles - Incomplete are not amortised as the benefit of the costs incurred to the group have not yet arisen.

When a production completes and is available for exploitation the cost is transferred from incomplete to complete production intangibles and amortisation commences in line with above policies.

Goodwill and other intangibles are assessed for impairment at each financial year end.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.7 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Short-term leasehold property	- Over the term of the lease
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Work in progress

Work in progress relates to development costs on productions not delivered during the period. The costs are recorded at the lower of cost and net realisable value, and are net of Value Added Tax.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.13 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.14 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Dollars 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.

2.15 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.17 Pensions**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

2.19 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)**2.21 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical estimates in applying the company's accounting policies

The following are the critical estimates that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Amortisation

Intangible assets are being amortised over their deemed useful life. This period has been determined via a review of the asset considering both historic and future factors.

Revenue recognition

Revenue from production services are recognised on a percentage-of-completion basis. Percentage-of-completion is based upon the production of costs incurred in the current period to total expected costs. The total expected costs on each production are reviewed by management on a regular basis.

Discounting of accrued income

Accrued income recognised on licence contracts with extended payment terms is discounted over the time period in which cash is expected to be received using a discount rate estimated by management. Management form this estimate based on a number of factors including internal and external borrowing rates.

4. Turnover

Analysis of turnover by country of destination:

	2020 \$	2019 \$
United Kingdom	19,970,699	228,169
Rest of Europe	3,204	33,004
Rest of the world	1,460,549	31,853,880
	<u>21,434,452</u>	<u>32,115,053</u>

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Operating (loss)/profit

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

	2020 \$	2019 \$
Product development	-	860,334
Depreciation of tangible fixed assets	133,496	78,454
Amortisation of intangible assets, including goodwill	187,897	4,218,049
Exchange differences	57,273	99,549
Other operating lease rentals	862,781	742,862
	<u>862,781</u>	<u>742,862</u>

6. Auditor's remuneration

	2020 \$	2019 \$
Audit services	83,096	50,000
Non audit services	152,549	55,500
	<u>152,549</u>	<u>55,500</u>

Company audit fee for the year was \$4,961 (2019: \$6,000).

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 \$	Group 2019 \$
Wages and salaries	6,258,496	4,119,118
Social security costs	593,688	357,985
Cost of defined contribution scheme	170,682	112,303
	<u>7,022,866</u>	<u>4,589,406</u>

The average monthly number of employees, including the directors, during the period was 57 (2019: 42).

The parent Company has no employees other than the directors, who did not receive any remuneration (2019: \$Nil).

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Directors' remuneration

	2020 \$	2019 \$
Directors' emoluments	<u>938,804</u>	<u>161,789</u>

9. Gain on disposal of subsidiary

	2020 \$	2019 \$
Group		
Proceeds	6,000,000	-
Net assets of disposed subsidiary	(1,642,663)	-
Gain on disposal	<u>4,357,337</u>	<u>-</u>

On 31 March 2020, Silvergate Media Holdings Limited a subsidiary of the Group disposed its investment in its subsidiary Silvergate Media Inc to Sony Pictures Entertainment Inc. The agreement was for the sale of the investment for proceeds of \$6,000,000. At the date of disposal, the fair value of the net assets of the subsidiary were \$1,642,663 which resulted in a gain on disposal of \$4,357,337.

10. Interest receivable

	2020 \$	2019 \$
Interest receivable and similar income	5,993	-
Finance charge on discounting	<u>208,302</u>	<u>-</u>

11. Interest payable and similar expenses

	2020 \$	2019 \$
Bank interest payable	44	395
Other loan interest payable	282,937	494,155
Finance charge on discounting	-	350,652
	<u>282,981</u>	<u>845,202</u>

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. Taxation

	2020 \$	2019 \$
Corporation tax		
Current tax on profits for the year	981,874	-
Adjustments in respect of previous periods	(18,883)	4,244
	<u>962,991</u>	<u>4,244</u>
Foreign tax		
Foreign tax on income for the year	128,159	190,636
Total current tax	<u>1,091,150</u>	<u>194,880</u>
Deferred tax		
Origination and reversal of timing differences	1,009,197	2,291,316
Adjustments in respect of prior periods	(648,427)	-
Total deferred tax	<u>360,770</u>	<u>2,291,316</u>
Taxation on profit on ordinary activities	<u>1,451,920</u>	<u>2,486,196</u>

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 \$	2019 \$
Profit on ordinary activities before tax	<u>2,899,877</u>	<u>6,068,124</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	551,043	1,152,944
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,243,019	43,549
Income not taxable for tax purposes	(1,147,094)	-
Adjustments to tax charge in respect of prior periods	(8,717)	14,111
Adjust closing deferred tax to average rate	-	3,603
Adjust opening deferred tax to average rate	-	(3,316)
Current tax (prior period) exchange difference arising on movement between opening and closing spot rates	(10,166)	(9,868)
Current tax (current period) exchange difference arising on movement between opening and closing spot rates	(68,274)	-
Deferred tax not recognised (losses arising not recognised and fixed asset timing differences)	-	809,211
Utilisation of losses not previously recognised	-	475,962
Deferred tax not recognised	892,109	-
Total tax charge for the year	<u>1,451,920</u>	<u>2,486,196</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SILVERGATE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

13. Intangible assets

Group

	Intellectual property rights \$	Customer relationships \$	Production intangibles - complete \$	Production intangibles - incomplete \$	Total \$
Cost					
At 1 April 2019	2,187,758	24,282,792	6,163,425	6,966,008	39,599,983
Additions	-	-	-	14,339,281	14,339,281
At 31 March 2020	2,187,758	24,282,792	6,163,425	21,305,289	53,939,264
Amortisation					
At 1 April 2019	1,436,170	24,282,792	3,073,526	-	28,792,488
Charge for the year	187,897	-	-	-	187,897
At 31 March 2020	1,624,067	24,282,792	3,073,526	-	28,980,385
Net book value					
At 31 March 2020	563,691	-	3,089,899	21,305,289	24,958,879
At 31 March 2019	751,588	-	3,089,899	6,966,008	10,807,495

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Tangible fixed assets**Group**

	Short-term leasehold property \$	Computer equipment \$	Total \$
Cost or valuation			
At 1 April 2019	190,126	76,344	266,470
Additions	278,071	95,673	373,744
Disposals	(362,265)	(132,105)	(494,370)
At 31 March 2020	<u>105,932</u>	<u>39,912</u>	<u>145,844</u>
Depreciation			
At 1 April 2019	97,254	27,695	124,949
Charge for the year on owned assets	89,578	43,918	133,496
Disposals	(89,578)	(39,813)	(129,391)
At 31 March 2020	<u>97,254</u>	<u>31,800</u>	<u>129,054</u>
Net book value			
At 31 March 2020	<u>8,678</u>	<u>8,112</u>	<u>16,790</u>
At 31 March 2019	<u>92,872</u>	<u>48,649</u>	<u>141,521</u>

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Fixed asset investments**Group**

	Investments in associates \$
Cost or valuation	
At 1 April 2019	15,798,909
Share of profit/(loss)	(1,499,815)
At 31 March 2020	14,299,094
Net book value	
At 31 March 2020	14,299,094

Associate undertakings

The following were associates of the Group as at 31 March 2019:

Name	Class of shares	Holding	Principal activity
Vampire Squid Productions Limited *	Ordinary	49%	Television programme production activities
Oct S5 Limited *	Ordinary	49%	Television programme production activities

* Held indirectly.

Company

	Investments in subsidiary companies \$
Cost or valuation	
At 1 April 2019	24,869,808
At 31 March 2020	24,869,808
Net book value	
At 31 March 2020	24,869,808

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Silvergate Bidco Limited	Holding company	Ordinary	100%
Silvergate Group Holdings Limited*	Holding company	Ordinary	100%
Silvergate Media Holdings Limited*	Holding company	Ordinary	100%
Hilda Productions Limited*	Television programme production activities	Ordinary	100%
Silvergate Media Inc*	Television programme production activities	Ordinary	100%
Sunny Style Productions Limited*	Television programme production activities	Ordinary	100%
Silvergate Media Developments Limited*	Holding company	Ordinary	100%
Fairytale HD Limited*	Television programme production activities	Ordinary	100%
Monkey WTB Limited*	Television programme production activities	Ordinary	100%
Silvergate Media Fashion Limited*	Television programme production activities	Ordinary	100%
Kid Fashion Limited*	Television programme production activities	Ordinary	100%
Silvergate Media SDMC Limited*	Television programme production activities	Ordinary	100%
Silvergate Media Creature Cases Limited*	Television programme production activities	Ordinary	100%
Silvergate Media Alex of Athens Limited*	Television programme production activities	Ordinary	100%
Silvergate Media Super Kitties Limited	Television programme production activities	Ordinary	100%
Silvergate Media Whatchas Limited	Television programme production activities	Ordinary	100%

All subsidiaries are incorporated in the United Kingdom except Silvergate Media inc which is incorporated in the United States of America.

* Held indirectly

On 31 March 2020 100% of the investment in Silvergate Media Inc. was sold for \$6m, with a gain on disposal of \$683,815.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Fixed asset investments (continued)

Audit exemption and statutory guarantee The following Group entities are exempt from audit by virtue of Section 479A of the Companies Act 2006.

Silvergate Topco Limited has provided Statutory guarantees to the following entities in accordance with Section 479C of the Companies Act 2006.

Silvergate Bidco Limited	10136229
Silvergate Group Holdings Limited	09843362
Silvergate Media Holdings Limited	08880268
Sunny Style Productions Limited	09418638
Silvergate Media Developments Limited	08280892
Fairytale HD Limited	08278060
Monkey WTB Limited	08278060
Silvergate Media Fashion Limited	10812567
Kid Fashion Limited	10815513
Silvergate Media SDMC Limited	11119634
Silvergate Media Creature Cases Limited	11119647
Silvergate Media Alex of Athens Limited	11119661
Silvergate Media Super Kitties Limited	11799258
Silvergate Media Whatchas Limited	11799200

16. Works in progress

	Group 2020 \$	<i>Group 2019 \$</i>
Long term contract balances	40,300	<i>315,774</i>

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Debtors

	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
Trade debtors	8,665,753	2,278,134	-	-
Amounts owed by group undertakings	-	-	26,417,957	26,344,797
Amounts owed by related undertakings	9,445,391	13,660,885	-	8,271
Other debtors	644,329	1,060,499	126,430	154,208
Prepayments and accrued income	5,348,778	5,622,315	2,153	2,070
	24,104,251	22,621,833	26,546,540	26,509,346

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

18. Cash and cash equivalents

	Group 2020 \$	Group 2019 \$
Cash at bank and in hand	10,122,403	12,166,744

19. Creditors: Amounts falling due within one year

	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
Bank loans	-	1,950,000	-	-
Trade creditors	2,694,684	1,042,605	-	190,497
Amounts owed to group undertakings	-	-	1,615,942	1,253,181
Amounts owed to related undertakings	20,828,786	945,408	-	-
Corporation tax	2,156,914	42,416	-	-
Other taxation and social security	233,619	102,492	-	14,794
Other creditors	127,913	224,409	89,486	89,486
Accruals and deferred income	4,369,525	7,274,700	53,765	16,938
Financial instruments	45,137	260,968	-	-
	30,456,578	11,842,998	1,759,193	1,564,896

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. Creditors: Amounts due after more than one year

	Group 2020 \$	<i>Group 2019 \$</i>
Bank loans	-	8,733,353
	<u>-</u>	<u>8,733,353</u>
	<u>-</u>	<u>8,733,353</u>

21. Loans

Maturity analysis on loans is noted below:

	Group 2020 \$	<i>Group 2019 \$</i>
Amounts falling due within one year		
Bank loans	-	1,950,000
Amounts falling due 1-2 years		
Bank loans	-	8,733,353
	<u>-</u>	<u>8,733,353</u>
	<u>-</u>	<u>8,733,353</u>

On 1st February 2020, four of the the Group's companies agreed to in-house cash (IHC) account settlements with Sony Treasury Services PLC for the purposes of drawing down production funding. These settlements had identical terms. At the period end \$20,368,145 had been withdrawn from the IHC account. A daily floating interest rate applies to all withdrawals. The agreements are effective in full force and effect until terminated by either party by giving to other party two months prior written notice.

SILVERGATE TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

22. Financial instruments

	Group 2020 \$	Group 2019 \$	Company 2020 \$	Company 2019 \$
Financial assets				
Financial assets measured at amortised cost	<u>18,755,472</u>	<u>62,607,089</u>	<u>-</u>	<u>26,507,276</u>
Financial liabilities				
Financial instruments measured at fair value through profit or loss	(45,137)	(260,968)	-	-
Financial liabilities measured at amortised cost	<u>(23,651,382)</u>	<u>(56,853,344)</u>	<u>-</u>	<u>(1,533,164)</u>
	<u>(23,696,519)</u>	<u>(57,114,312)</u>	<u>-</u>	<u>(1,533,164)</u>

Financial assets measured at fair value through profit or loss comprise foreign exchange derivatives.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group and related undertakings and other debtors.

Financial liabilities measured at fair value through profit or loss comprise foreign exchange derivatives.

Financial liabilities measured at amortised cost comprise other loans, loan notes, trade creditors amounts owed to group and related undertakings and other creditors.

23. Deferred taxation

Group

	2020 \$	2019 \$
At beginning of year	(2,651,577)	(360,261)
Charged to profit or loss	(361,258)	(2,291,316)
At end of year	<u>(3,012,835)</u>	<u>(2,651,577)</u>
	Group 2020 \$	Group 2019 \$
Deferred tax on intangibles	(3,012,835)	(2,651,577)
	<u>(3,012,835)</u>	<u>(2,651,577)</u>

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

24. Share capital

	2020 \$	2019 \$
Allotted, called up and fully paid		
510,000 (2019: 510,000) Class A shares of \$0.0001 each	51	51
482,552 (2019: 482,552) Class B shares of \$0.0001 each	48	48
140,685 (2019: 140,685) Class D shares of \$0.0001 each	14	14
91,667 (2019: 91,667) Class C1 shares of \$0.0001 each	9	9
10 (2019: 10) Class E2 shares of \$1.0000 each	10	10
10 (2019: 10) Class E3 shares of \$1.0000 each	10	10
	<hr/> 142	<hr/> 142

Rights of shares

Each class A share carries one vote and is entitled to participate in any distribution in priority to all other classes of shares up to the Class A Preferred Return as defined in the Articles, and thereafter pari passu with other classes of shares. Each Class B share carries one vote and is entitled to participate in a distribution after amounts paid to Class A shares in priority to all other classes of shares up to the Class B Percentage as defined in the Articles, and thereafter pari passu with other classes of shares. Class C and D shares do not carry a vote, and participate in distributions after the payments to Class A and B shares.

In the year 10 Class E2 and 10 Class E3 shares were issued. Each E2 and E3 share carries one vote, and is entitled to participate pari passu in any distribution in priority to all other classes of share up to the nominal amount per share. There is no rights of redemption for the E share classes.

25. Reserves**Share premium**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings

Includes all current and prior period retained profits and losses.

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to \$170,682 (2019: \$112,303). Contributions totaling \$6,625 (2019: \$2,899) were payable to the fund at the reporting date and are included in creditors.

SILVERGATE TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

27. Commitments under operating leases

At 31 March 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020	<i>Group 2019</i>
	\$	\$
Not later than 1 year	-	934,980
Later than 1 year and not later than 5 years	-	519,870
	<hr/>	<hr/>
	-	1,454,850
	<hr/>	<hr/>

28. Related party transactions

The directors have taken advantage of the exemption in Financial Reporting Standard 102 s33.1a from disclosing transactions with wholly owned companies within the Group.

During the year, Silvergate Media Holdings Limited charged management and other administrative services to Silvergate PPL Limited, a related party through mutual directorships and common ownership, amounting to £5,254,592 (2019: £3,983,896). At the year end £Nil (2019: £Nil) was owed to Silvergate Media Holdings Limited by Silvergate PPL Limited.

During the year, Silvergate Media Holdings Limited was charged for various administrative expenses by Koovs Plc, a related party through mutual directorships and common ownership, amounting to £1,213,612 (2019: £12,907). At the year end £38,490 (2019: £23,213) was owed by Silvergate Media Holdings Limited to Koovs Plc.

During the year, Silvergate Media Holdings Limited recharged office expenses to Olga TV Limited, a related party through mutual directorships and common ownership, amounting to £48,129 (2019: £370). At the year end £370 (2019: £370) was owed to Silvergate Media Holdings Limited by Olga TV Limited.

During the year, Silvergate Media Holdings Limited recharged office expenses to BM Creative Management Limited, a related party through mutual directorships and common ownership, amounting to £44,899 (2019: £484). At the year end £580 (2019: £484) was owed to Silvergate Media Holdings Limited by BM Creative Management Limited.

There was no key management personnel compensation during the year.

29. Controlling party

On 10th December 2019, the group was acquired by Columbia Pictures Corporation Limited. The ultimate controlling party is Sony Corporation, a company incorporated in the United States (2019 – ultimate controlling party was Shamrock Capital Growth Fund III LP).