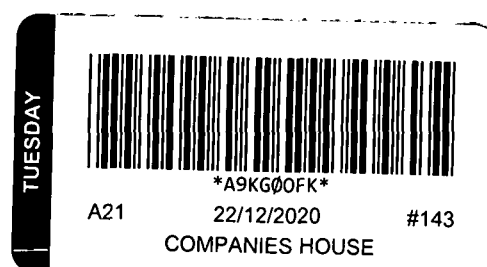


Registered number: 12025781

**HAT TRICK HOLDINGS (2019) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**HAT TRICK HOLDINGS (2019) LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	J Mulville P Mckenna P Cohen A Dugdale K Wilson J Sharkey
<b>Registered number</b>	12025781
<b>Registered office</b>	7 Savoy Court London WC2R 0EX
<b>Trading Address</b>	33 Oval Road London NW1 7EA
<b>Independent auditors</b>	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
<b>Bankers</b>	Coutts 440 Strand London WC2R 0QS
<b>Solicitors</b>	Harbottle & Lewis LLP 7 Savoy Court London WC2R 0EX

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**HAT TRICK HOLDINGS (2019) LIMITED**

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**HAT TRICK HOLDINGS (2019) LIMITED**

**BUSINESS HIGHLIGHTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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Hat Trick would like to highlight the following achievements:

- Adjusted Profit after Tax of £2.4m
- *Kate and Koji*, ITV's first new studio sitcom in 7 years, was commissioned in 2019 and became a ratings hit when it aired in 2020
- The third series of *Derry Girls* has been commissioned
- *Hypothetical & Flack* both came back for second series on UKTV
- The 57th and 58th series of *Have I Got News For You* were produced in the UK, with local versions in Norway, Finland and Holland
- We co-produced the eighth series of *Whose Line is it Anyway?* for US channel The CW, with further series commissioned for 2020 and beyond
- *Dinner Date* returned with its tenth series and continues to be a staple for ITVBe
- Hat Trick and Hindsight Productions won the BBC *Mastermind* tender and produced the regular, as well as the celebrity series in 2019
- HTM, our joint venture with Jed Mercurio, won two commissions, *Bloodlands* for the BBC and *Trigger Point* for ITV

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**HAT TRICK HOLDINGS (2019) LIMITED**

**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Introduction**

The directors present their Strategic Report for the period ended 31 December 2019.

Hat Trick Holdings (2019) Limited was incorporated on 31 May 2019 as the new ultimate holding company for the Hat Trick group of companies following a restructuring. This transaction has been accounted for as group reconstruction, using the principles of merger accounting, as set out in FRS 102.

The acquired assets and liabilities are stated at historical cost, and are included in the consolidated financial statements from the beginning of the earliest period, presented as if the entities and businesses acquired had always formed a group. As such the figures for the period ended 31 December 2019 have been presented to reflect the financial position and results as though Hat Trick Holdings (2019) Limited had always been the parent company. The consolidated financial information for the period ended 31 December 2019 reflects the full year results of all entities despite the acquisition occurring part way through the year.

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

**Business review**

With a library of long-running, award-winning television programming, we are an industry-leading content creator and rights owner. Our goal remains simple; to make highly successful programmes for profit. We do this in two ways. We develop, create and exploit content in the areas of Comedy, Drama and Entertainment. We also use our substantial creative and business support experience to take investments in early-stage content creation companies with a view to helping them reach their full potential more quickly than they otherwise might be able to.

**Content creation**

Hat Trick produced programmes for BBC1, ITV, ITVBe, Channel 4, Dave, W and US channels The CW and Pop in 2019.

We had three sitcoms in production in 2019, *Derry Girls* for Channel 4, *Kate & Koji* for ITV and *Warren* for the BBC.

Long running, returning series are at the heart of a successful television production company and Hat Trick has more than its fair share, including *Have I Got News For You* (series 57 and 58), *Whose Line is it Anyway?* (series 8 for The CW) and *Dinner Date* (series 10).

There were also new series of *Hypothetical* on Dave and *Flack* on W and Pop. A third series of *Hypothetical* was produced in 2020, whilst both series of *Flack* have been sold to Amazon.

Following on from Livewire Pictures winning the BBC tender for The Proms, Hat Trick and Hindsight won the *Mastermind* tender and co-produced the regular, as well as the celebrity series in 2019 and 2020.

**Rights exploitation**

We continue to exploit the majority of our extensive programming catalogue in-house through Hat Trick International (HTI). HTI continues to benefit from Hat Trick's strong production pipeline, as well as through its relationships with other production companies.

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## HAT TRICK HOLDINGS (2019) LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Investments

Plum Pictures had a successful 2019, producing shows for the BBC, ITV and Channel 4, as well as an increasing presence in the US with shows for Amazon Prime, Oxygen and Netflix.

Emporium Productions continue to operate profitably and have strong relationships with a number of broadcasters, including Channel 5, where it and Hat Trick co-produced the new series of *Rich House, Poor House* and spin off *Rich Holiday, Poor Holiday*.

Livewire Pictures successfully produced *The Proms* for the BBC in 2019 and recently got an ITV entertainment show TV showdown commissioned.

HTM won its first commissions in 2019, *Bloodlands* was produced in 2020 and will air in 2021, whilst *Trigger Point* will now be produced in 2021.

#### **Principal risks and uncertainties**

##### Foreign exchange risk

The Group operates primarily within the UK and so has limited exposure to foreign exchange movements. However, any material exposure is hedged on a case by case basis.

##### Credit risk

A large percentage of the Group's programming is conducted with the BBC and other established broadcasters. Therefore, the company does not have a significant exposure to credit defaults.

##### Liquidity risk

The Group has sufficient cash reserves to cover day to day working capital requirements. The working capital of the business is closely monitored to ensure these commitments are met.

#### **Financial key performance indicators**

Hat Trick uses Adjusted Profit after Tax (profit after tax, excluding amortisation & share options charge) as its key performance indicator.

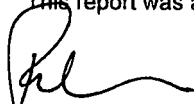
Adjusted profit after tax was £2.4m in the period, £0.2m favourable than the previous year.

#### **Other key performance indicators**

We consider the number of series in production and delivered in the year to be Hat Trick's main non-financial key performance indicators.

There were twelve series in production in 2019, with eight series delivered to broadcasters.

This report was approved by the board on 10 December 2020 and signed on its behalf.



**P Cohen**  
Director

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## HAT TRICK HOLDINGS (2019) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present their report and the financial statements for the year ended 31 December 2019.

#### Directors

The directors who served during the year were:

J Mulville (appointed 31 May 2019)  
P McKenna (appointed 5 August 2019)  
P Cohen (appointed 5 August 2019)  
A Dugdale (appointed 5 August 2019)  
K Wilson (appointed 5 August 2019)  
J Sharkey (appointed 10 October 2019)

#### Results and dividends

The profit for the year, after taxation, amounted to £2,713,666 (2018 - £1,961,130).

The directors have paid a dividend of £1,750,096 (2018 - £1,500,072). The directors do not recommend the payment of a final dividend.

#### 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to 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

Hat Trick benefits from a raft of returning series, as well as a strong pipeline of new programming in various stages of development.

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## HAT TRICK HOLDINGS (2019) LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Engagement with employees

The Group has continued throughout the year to provide employees with relevant information and to seek their views on matters of common concern. Priority is given to ensuring that employees are aware of all significant matters affecting the Group.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

#### Events after the year end

The COVID-19 pandemic and the potential impact of restrictions imposed are indicators of events that may affect the future of the Group.

The potential impact of the COVID-19 pandemic is not easily quantifiable at this point in time. Using currently available information the directors have carried out a detailed review of the operations and cash flow requirements of the Group for the next twelve months from the date of signing this report. As part of this exercise revenue streams have been stress tested, operating costs have been reviewed and reduced where possible.

The TV industry, like most parts of the economy, has been significantly impacted by Covid. The vast majority of productions were put on hold when we entered the first lockdown on 23rd March 2020.

Hat Trick, along with our associates, had to pause and delay several productions, including three scripted shows that will now be produced in 2021 rather than 2020. We therefore furloughed freelancers on the productions affected, along with around 15% of permanent staff.

One show that we were able to produce during lockdown was *Have I Got News For You*, where series 59 was done completely remotely, which is a real testament to the creativity and ingenuity of the team behind it.

Being able to produce *Have I Got News For You*, along with having an extensive back catalogue, has certainly softened the impact of Covid on Hat Trick.

In light of the improving performance, we have decided to return the sums received under the Government's "Job Retention Scheme" for furloughed permanent staff. This is in addition to funding national insurance and pension contributions for those freelancers that were furloughed to the end of August.

We have not used the scheme since it was extended, as we believe that "The Film and TV Production Restart Scheme" has allowed the vast majority of productions to recommence filming.

After considering all the above the directors are confident that the Group will have sufficient funds to be able to meet its financial obligations as and when they arise for at least twelve months from the date the financial statements are approved.



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**HAT TRICK HOLDINGS (2019) LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Auditors**

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 10 December 2020 and signed on its behalf.



**P Cohen**  
Director

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## **HAT TRICK HOLDINGS (2019) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAT TRICK HOLDINGS (2019) LIMITED**

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#### **Opinion**

We have audited the financial statements of Hat Trick Holdings (2019) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, 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 the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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 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 Group's or the parent 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.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors's report and financial statements, other than the financial statements and our Auditors' 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.

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

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**HAT TRICK HOLDINGS (2019) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAT TRICK HOLDINGS (2019) LIMITED  
(CONTINUED)**

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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 this regard.

**Opinion 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 financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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**

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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**HAT TRICK HOLDINGS (2019) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAT TRICK HOLDINGS (2019) LIMITED  
(CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of  
**Sopher + Co LLP**

Chartered Accountants  
Statutory Auditors

5 Elstree Gate  
Elstree Way  
Borehamwood  
Hertfordshire  
WD6 1JD

Date: 10 December 2020

**HAT TRICK HOLDINGS (2019) LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

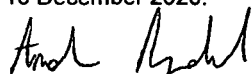
	Note	2019 £	2018 £
<b>Turnover</b>			
Group and share of joint ventures' turnover		29,685,127	36,043,369
Less: share of joint ventures' turnover		(1,848,353)	(439,475)
<b>Group turnover</b>		<u>27,836,774</u>	<u>35,603,894</u>
Cost of sales		(20,178,075)	(27,691,314)
<b>Gross profit</b>		<u>7,658,699</u>	<u>7,912,580</u>
Administrative expenses		(7,842,895)	(9,085,750)
Other operating income	6	1,348,598	933,769
Share of profit of associates		324,022	146,106
Interest receivable and similar income	11	35,027	21,708
Interest payable and expenses	12	(33,414)	(3,591)
<b>Profit/(loss) before taxation</b>		<u>1,490,037</u>	<u>(75,178)</u>
Tax on profit/(loss)	13	1,223,629	2,036,308
<b>Profit for the financial year</b>		<u>2,713,666</u>	<u>1,961,130</u>
<b>Other comprehensive income for the year</b>			
Foreign exchange reserve movement		(528)	2,688
Share option reserve movement		(322,817)	237,527
<b>Other comprehensive income for the year</b>		<u>(323,345)</u>	<u>240,215</u>
<b>Total comprehensive income for the year</b>		<u><u>2,390,321</u></u>	<u><u>2,201,345</u></u>

The notes on pages 18 to 43 form part of these financial statements.

**HAT TRICK HOLDINGS (2019) LIMITED**  
**REGISTERED NUMBER:12025781**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	16	400,000	450,000
Tangible assets	17	835,695	830,959
Investments	18	1,036,956	925,660
		<u>2,272,651</u>	<u>2,206,619</u>
<b>Current assets</b>			
Work in progress	19	130,221	-
Debtors: amounts falling due within one year	20	11,161,806	10,969,552
Cash at bank and in hand	21	716,677	664,813
		<u>12,008,704</u>	<u>11,634,365</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	22	(10,756,526)	(7,920,145)
<b>Net current assets</b>		<u>1,252,178</u>	<u>3,714,220</u>
<b>Total assets less current liabilities</b>		<u>3,524,829</u>	<u>5,920,839</u>
Creditors: amounts falling due after more than one year	23	(279,203)	(328,697)
<b>Net assets</b>		<u><u>3,245,626</u></u>	<u><u>5,592,142</u></u>
<b>Capital and reserves</b>			
Called up share capital	28	61,429	61,428
Share premium account	29	2,110,534	2,110,534
Capital redemption reserve	29	50,260	50,260
Share option reserve	29	700,813	1,023,630
Merger reserve	29	(2,986,742)	-
Profit and loss account	29	3,309,332	2,346,290
<b>Equity attributable to owners of the parent Company</b>		<u><u>3,245,626</u></u>	<u><u>5,592,142</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 December 2020.



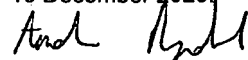
**A Dugdale**  
Director

The notes on pages 18 to 43 form part of these financial statements.

**HAT TRICK HOLDINGS (2019) LIMITED**  
**REGISTERED NUMBER:12025781**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	18	27,021,361	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	20	750,413	-
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	22	(3,814,853)	-
<b>Net current liabilities</b>		<u>(3,064,440)</u>	<u>-</u>
<b>Net assets</b>		<u><u>23,956,921</u></u>	<u><u>-</u></u>
<b>Capital and reserves</b>			
Called up share capital	28	61,429	-
Merger reserve	29	23,895,492	-
		<u><u>23,956,921</u></u>	<u><u>-</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 December 2020.



**A Dugdale**  
Director

The notes on pages 18 to 43 form part of these financial statements.

HAT TRICK HOLDINGS (2019) LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Share option reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
<b>At 1 January 2018</b>	<b>61,428</b>	<b>2,110,534</b>	<b>50,260</b>	<b>786,103</b>	<b>-</b>	<b>1,882,544</b>	<b>4,890,869</b>
Profit for the year	-	-	-	-	-	1,961,130	1,961,130
Foreign exchange reserve movement	-	-	-	-	-	2,688	2,688
Share option charge	-	-	-	237,527	-	-	237,527
Dividends: Equity capital	-	-	-	-	-	(1,500,072)	(1,500,072)
<b>At 1 January 2019</b>	<b>61,428</b>	<b>2,110,534</b>	<b>50,260</b>	<b>1,023,630</b>	<b>-</b>	<b>2,346,290</b>	<b>5,592,142</b>
Profit for the year	-	-	-	-	-	2,713,666	2,713,666
Foreign exchange reserve movement	-	-	-	-	-	(528)	(528)
Share option charge	-	-	-	(322,817)	-	-	(322,817)
Dividends: Equity capital	-	-	-	-	-	(1,750,096)	(1,750,096)
Shares issued during the year	1	-	-	-	-	-	1
Arising on group reorganisation	-	-	-	-	(2,986,742)	-	(2,986,742)
<b>At 31 December 2019</b>	<b>61,429</b>	<b>2,110,534</b>	<b>50,260</b>	<b>700,813</b>	<b>(2,986,742)</b>	<b>3,309,332</b>	<b>3,245,626</b>

The notes on pages 18 to 43 form part of these financial statements.



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HAT TRICK HOLDINGS (2019) LIMITED

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

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	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
Profit for the year	-	-	750,048	750,048
Dividends: Equity capital	-	-	(750,048)	(750,048)
Shares issued during the year	61,429	-	-	61,429
Fair value adjustments arising on group reorganisation	-	23,895,492	-	23,895,492
<b>At 31 December 2019</b>	<b>61,429</b>	<b>23,895,492</b>	<b>-</b>	<b>23,956,921</b>

The notes on pages 18 to 43 form part of these financial statements.

HAT TRICK HOLDINGS (2019) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	2,713,666	1,961,130
<b>Adjustments for:</b>		
Amortisation of intangible assets	50,000	50,000
Depreciation of tangible assets	268,191	236,203
Profit on disposal of tangible assets	(18,999)	(4,397)
Interest paid	33,414	3,591
Interest received	(35,027)	(21,708)
Taxation charge	(1,223,629)	(2,036,308)
(Increase)/decrease in stocks	(130,221)	51,675
Increase in debtors	(16,551)	(844,684)
Increase in amounts owed by associates	(1,056,864)	(729,633)
Increase/(decrease) in creditors	372,501	(1,438,113)
Corporation tax received	2,066,427	302,480
Net share of profits and loss of participating interests	(324,022)	(146,106)
Exchange differences on translation of foreign subsidiaries	(528)	2,687
Share option movement	(322,817)	237,527
Dividends received from associates	137,500	179,900
<b>Net cash generated from/(used in) operating activities</b>	<b>2,513,041</b>	<b>(2,195,756)</b>
<b>Cash flows from/(used in) investing activities</b>		
Purchase of intangible fixed assets	-	(500,000)
Purchase of tangible fixed assets	(272,928)	(131,567)
Sale of tangible fixed assets	19,000	23,751
Purchase of share in joint ventures	-	(17,987)
Interest received	3,642	2,216
HP interest paid	-	(3,591)
Joint ventures interest received	31,385	19,492
Investment in subsidiaries	(2,986,742)	-
<b>Net cash used in investing activities</b>	<b>(3,205,643)</b>	<b>(607,686)</b>

**HAT TRICK HOLDINGS (2019) LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Cash flows from/(used in) financing activities</b>		
Issue of ordinary shares	1	-
New secured loans	2,542,393	-
(Repayment of)/new finance leases	(14,494)	6,463
Dividends paid	(1,750,096)	(1,500,072)
Interest paid	(33,414)	-
<b>Net cash from/(used in) financing activities</b>	<b>744,390</b>	<b>(1,493,609)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>51,788</b>	<b>(4,297,051)</b>
Cash and cash equivalents at beginning of year	664,751	4,961,802
<b>Cash and cash equivalents at the end of year</b>	<b>716,539</b>	<b>664,751</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	716,677	664,813
Bank overdrafts	(138)	(62)
	<b>716,539</b>	<b>664,751</b>

The notes on pages 18 to 43 form part of these financial statements.

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**HAT TRICK HOLDINGS (2019) LIMITED**

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>At 1 January 2019 £</b>	<b>Cash flows £</b>	<b>At 31 December 2019 £</b>
Cash at bank and in hand	664,813	51,864	716,677
Bank overdrafts	(62)	(76)	(138)
Debt due within 1 year	(97)	(2,542,489)	(2,542,586)
Finance leases	(39,808)	14,494	(25,314)
	<u>624,846</u>	<u>(2,476,207)</u>	<u>(1,851,361)</u>

The notes on pages 18 to 43 form part of these financial statements.

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## HAT TRICK HOLDINGS (2019) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. General information

The Group is an industry leading content creator and rights owner with a library of long running award winning television programmes.

Hat Trick Holdings (2019) Limited is a limited company incorporated in England and Wales, with its registered office address at 7 Savoy Court, London, WC2R 0EX.

The Company was incorporated on 31 May 2019 and commenced its activities on the same date.

#### 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 judgment 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 following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

On 5 August 2019, as part of a group restructure, the Company became the ultimate holding company for the interests of Hat Trick Holdings Limited, a company registered in England and Wales. This transaction has been accounted for as a group reconstruction, using the principles of merger accounting, as set out in FRS 102.

The acquired assets and liabilities are stated at historical cost, and are included in the consolidated financial statements from the beginning of the earliest period presented as if the entities and business acquired had always formed a group. As such, the figures for the year ended 31 December 2019 have been presented to reflect the financial position and results as though Hat Trick Holdings (2019) Limited had always been the parent company. The consolidated financial information for the year ended 31 December 2019 reflects the full year results of all entities, despite the acquisition occurring part way through the year.

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

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.3 Participating interests**

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**

The directors have considered the impact of recent worldwide event in relation to the COVID-19 pandemic and the ongoing impact on the Group's operations and are taking all necessary action to ensure that the Group continues to be able meet its running costs and liabilities as they fall due for at least 12 months from the date of their approval of these financial statements. Based on their current assessment of the situation, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**2.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding Value Added Tax.

Turnover comprises production fees and amounts receivable for the exploitation of rights and royalties net of VAT.

Production turnover and gross profit are recognised over the period of production on a stage of completion and straight line basis respectively.

Fees in respect of services provided are recognised over the period of the service agreement on a stage of completion basis.

Sums receivable from distribution by related parties are recognised when receivable. Where third party distributors are used, turnover is recognised on a receivable basis in accordance with distribution statements, unless an advance is received, in which case turnover is then recognised on the later of the license period start date or completion of all deliverables.

Royalties receivable are accounted for on a royalty earnings basis as part of turnover. Non-returnable, recoupable advances are accounted for on a completion of delivery requirements.

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## HAT TRICK HOLDINGS (2019) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.6 Intangible assets

###### Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

Goodwill is amortised over its useful life of ten years.

###### Format licences

Acquired format licences are initially recognised at cost as an intangible asset. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

##### 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.

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.

Depreciation is provided on the following basis:

Short-term leasehold property	- over the period of the lease
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line

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 profit or loss.

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HAT TRICK HOLDINGS (2019) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. Accounting policies (continued)

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**Participating interests**

The Group's share of profits less losses of associated undertakings is included in the Consolidated Statement of Comprehensive Income and the Group's share of their net assets is included in the Consolidated Statement of Financial Position. These amounts are taken from the latest financial statements of the undertakings concerned and unaudited management information for the remaining months to 31 December 2019. Joint ventures are accounted for using the gross equity method.

**Other investments**

Investments held as fixed assets are shown at cost less any provision for impairment.

2.9 Work in progress

Project development costs, carried forward under work in progress, represent costs incurred on projects in development and are stated at the lower of cost and estimated net realisable value.

2.10 Debtors

Short term debtors are measured at the transaction price, 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.

2.13 Share options

The Group issues equity-settled share-based payments to certain employees. These share options are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of the grant. The fair value of the share options issued is expensed on a straight line basis over the period to when management estimates the options will be exercised as adjusted for known vesting conditions.

Fair value is measured by use of the Black-Scholes pricing model. The principal assumptions made in the model are described in note 30.



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## HAT TRICK HOLDINGS (2019) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.14 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to and from related parties.

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 Income Statement.

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.

##### 2.15 Dividends

Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### 2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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.

##### 2.17 Pensions

###### Defined contribution pension plan

The Group contributes to 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 profit or loss 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.

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.18 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is £ Sterling.

**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.

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

**2.19 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.

**2.20 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.21 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.

**2.22 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.23 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as Other Comprehensive Income or to an item recognised directly in equity is also recognised under 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.

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

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

- a) Determine whether leases entered into by the Group as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- b) Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- c) Determine at the year end the fair value of share options granted. The shares of the Group are not actively traded in a market and therefore directors use their judgement to ensure they adopt the most appropriate valuation method to determine fair value. Vesting conditions are taken into account when estimating the fair value of the share options.

In preparing these financial statements, the directors have considered the following key sources of estimation uncertainty:

Tangible and intangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and estimated disposal values.

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**4. Share based payments**

A Dugdale, K Wilson and P Cohen, who are directors of the Company, are part of the Hat Trick Enterprise Management Incentive Plan. The scheme was approved by the shareholders of Hat Trick Holdings Limited on 25 January 2011 and the options were granted on the same date. The scheme comprises an option to subscribe for ordinary shares of £1 each in Hat Trick Holdings Limited for an exercise price of £28.74 per ordinary share. The awards become exercisable on or after the earlier of an exit event and any date(s) as specified in the option agreement. Under the scheme rules, an exit event is defined as the earlier of a share sale, a listing or a trade sale. A Dugdale, K Wilson and P Cohen each exercised 50% of their existing options as part of the group restructure on 5 August 2019.

**5. Turnover**

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	19,619,667	25,913,129
Rest of Europe	2,272,325	2,523,454
Rest of the world	5,944,782	7,167,311
	<u>27,836,774</u>	<u>35,603,894</u>

**6. Other operating income**

	2019 £	2018 £
Occupancy and personnel cost recharges	<u>1,348,598</u>	<u>933,769</u>

**7. Operating profit/(loss)**

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

	2019 £	2018 £
Exchange differences	116,146	(16,802)
Other operating lease rentals	<u>665,911</u>	<u>800,224</u>

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. Auditors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Fees payable to the Group's auditor in respect of:</b>		
Auditing the financial statements of the Group pursuant to legislation	<b>50,329</b>	50,113

**9. Employees**

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	3,778,039	4,910,081	-	-
Social security costs	539,383	596,146	-	-
Cost of defined contribution scheme	212,801	237,456	-	-
	<b>4,530,223</b>	<b>5,743,683</b>	<b>-</b>	<b>-</b>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Management	9	9
Administration	39	41
Production, development and writing	18	24
	<b>66</b>	<b>74</b>

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**10. Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>941,941</b>	964,340
Company contributions to defined contribution pension schemes	<b>69,410</b>	60,458
	<b><u>1,011,351</u></b>	<b><u>1,024,798</u></b>

During the year retirement benefits were accruing to 5 directors (2018 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £388,694 (2018 - £388,404).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,917 (2018 - £11,035).

**11. Interest receivable**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Joint ventures interest receivable	<b>31,385</b>	19,492
Other interest receivable	<b>3,642</b>	2,216
	<b><u>35,027</u></b>	<b><u>21,708</u></b>

**12. Interest payable and similar expenses**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>33,414</b>	-
Finance leases and hire purchase contracts	<b>-</b>	3,591
	<b><u>33,414</u></b>	<b><u>3,591</u></b>

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HAT TRICK HOLDINGS (2019) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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13. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profit/loss for the year	(1,480,084)	(2,115,074)
Adjustments in respect of previous periods	-	(1,212)
	<u>(1,480,084)</u>	<u>(2,116,286)</u>
Share of tax of associates	75,226	79,604
	<u>(1,404,858)</u>	<u>(2,036,682)</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	120,094	75,840
<b>Total current tax</b>	<u>(1,284,764)</u>	<u>(1,960,842)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	61,135	(75,466)
<b>Taxation on profit/loss on ordinary activities</b>	<u><u>(1,223,629)</u></u>	<u><u>(2,036,308)</u></u>

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**13. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>1,490,037</u>	<u>(75,178)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	283,107	(14,284)
Effects of:		
Expenses not deductible for tax purposes	13,713	49,987
Depreciation for year in excess of capital allowances	13,392	5,350
Adjustments to tax charge in respect of prior periods	-	(1,212)
Non-taxable (credit)/charge in respect of employee options	(61,335)	45,130
Foreign tax charge	120,094	75,840
High-end Television Tax Relief	(1,562,414)	(2,384,038)
Other factors affecting associates leading to an increase in the tax charge	39,108	31,724
Short term timing difference leading to an increase in taxation	1,272	-
Utilisation of brought forward tax losses	(408,026)	-
Employee options exercised	(567,481)	-
Unrelieved tax losses carried forward	843,806	230,661
Deferred tax	61,135	(75,466)
<b>Total tax charge for the year</b>	<u><b>(1,223,629)</b></u>	<u><b>(2,036,308)</b></u>

**14. Dividends**

	2019 £	2018 £
Dividends paid on equity shares	<u>1,750,096</u>	<u>1,500,072</u>

**15. Parent company profit for the year**

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 profit after tax of the parent Company for the year was £750,048 (2018 - £NIL).



**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**16. Intangible assets**

**Group**

	<b>Format licence £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2019	<b>500,000</b>	<b>22,708,166</b>	<b>23,208,166</b>
At 31 December 2019	<b>500,000</b>	<b>22,708,166</b>	<b>23,208,166</b>
<b>Amortisation</b>			
At 1 January 2019	<b>50,000</b>	<b>22,708,166</b>	<b>22,758,166</b>
Charge for the year on owned assets	<b>50,000</b>	<b>-</b>	<b>50,000</b>
At 31 December 2019	<b>100,000</b>	<b>22,708,166</b>	<b>22,808,166</b>
<b>Net book value</b>			
At 31 December 2019	<b>400,000</b>	<b>-</b>	<b>400,000</b>
At 31 December 2018	<b>450,000</b>	<b>-</b>	<b>450,000</b>

HAT TRICK HOLDINGS (2019) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

17. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2019	1,234,233	3,728,162	83,244	5,045,639
Additions	-	96,201	176,727	272,928
Disposals	-	-	(83,244)	(83,244)
At 31 December 2019	1,234,233	3,824,363	176,727	5,235,323
<b>Depreciation</b>				
At 1 January 2019	706,569	3,424,868	83,243	4,214,680
Charge for the year on owned assets	63,922	145,593	44,182	253,697
Charge for the year on financed assets	-	14,494	-	14,494
Disposals	-	-	(83,243)	(83,243)
At 31 December 2019	770,491	3,584,955	44,182	4,399,628
<b>Net book value</b>				
At 31 December 2019	463,742	239,408	132,545	835,695
At 31 December 2018	527,664	303,294	1	830,959

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Furniture, fittings and equipment	25,364	39,858

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HAT TRICK HOLDINGS (2019) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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18. Fixed asset investments

Group

	Investments in associates £	Other fixed asset investments £	Investment in joint ventures £	Total £
<b>Cost</b>				
At 1 January 2019	921,748	25,000	3,912	950,660
Foreign exchange movement	(137,500)	-	-	(137,500)
Share of profit/(loss)	200,392	-	48,404	248,796
At 31 December 2019	984,640	25,000	52,316	1,061,956
<b>Impairment</b>				
At 1 January 2019	-	25,000	-	25,000
At 31 December 2019	-	25,000	-	25,000
<b>Net book value</b>				
At 31 December 2019	984,640	-	52,316	1,036,956
At 31 December 2018	921,748	-	3,912	925,660

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HAT TRICK HOLDINGS (2019) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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18. Fixed asset investments (continued)

Company

Investments  
in  
subsidiary  
companies  
£

Cost

Additions

27,021,361

At 31 December 2019

27,021,361

Net book value

At 31 December 2019

27,021,361

At 31 December 2018

-

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name

Class of  
shares

Holding

Hat Trick Holdings Limited

Ordinary

100%

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Fixed asset investments (continued)**

**Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Hat Trick Productions Limited	Ordinary	100%
Hat Trick International Limited	Ordinary	100%
Hat Trick Television Limited	Ordinary	100%
Hat Trick (DG) Limited	Ordinary	100%
Hat Trick (SLD) Limited	Ordinary	100%
(previously known as Hat Trick (Trollope) Limited		
Hat Trick (Warren) Limited	Ordinary	100%
Hat Trick Holdings Inc.	Ordinary	100%
Hat Trick Entertainment Inc.	Ordinary	100%
Hat Trick East Inc.	Ordinary	100%
Hat Trick (FTM) Limited	Ordinary	100%
Hat Trick (Flack) Limited	Ordinary	100%

All of the above companies have their registered office at 7 Savoy Court, London, WC2R 0EX, apart from Hat Trick Holdings Inc., Hat Trick East Inc. and Hat Trick Entertainment Inc. whose registered address is 16000 Ventura Blvd., Suite 900, Encino, CA 91436.

The principal activity of all the above companies is creation of content for broadcast media apart from Hat Trick International Limited which is Distribution of content.

Former subsidiary, TWC (UK) Limited was dissolved on 5 February 2019.

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HAT TRICK HOLDINGS (2019) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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**18. Fixed asset investments (continued)**

**Associates**

The following were associates of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Plum Pictures Limited	Ordinary	25%
Emporium Limited	Ordinary	49%

**Joint ventures**

The following were joint ventures of the Company:

<b>Name</b>	<b>Holding</b>
Toff Media Limited	50%
HTM Television Limited	50%
Livewire Pictures Limited	50%

The principal activity of all the above associates and joint ventures is creation of content for broadcast media.

**19. Work in progress**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Work in progress	<b>130,221</b>	-

**HAT TRICK HOLDINGS (2019) LIMITED**

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**20. Debtors**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Trade debtors	<b>2,726,832</b>	4,279,274	-	-
Amounts owed by group undertakings	-	-	<b>750,412</b>	-
Amounts owed by joint ventures and associated undertakings	<b>1,912,097</b>	855,233	-	-
Other debtors	<b>1,658,401</b>	1,543,509	<b>1</b>	-
Prepayments and accrued income	<b>4,514,969</b>	3,053,360	-	-
Tax recoverable	<b>172,244</b>	999,778	-	-
Deferred taxation	<b>177,263</b>	238,398	-	-
	<b>11,161,806</b>	10,969,552	<b>750,413</b>	-

The carrying value of all debtor balances above equates to fair value. No balances were impaired at the year end (2018 - same).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**21. Cash and cash equivalents**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Cash at bank and in hand	<b>716,677</b>	664,813	-	-
Less: bank overdrafts	<b>(138)</b>	(62)	<b>(114)</b>	-
	<b>716,539</b>	664,751	<b>(114)</b>	-

**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Creditors: Amounts falling due within one year**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	138	62	114	-
Bank loans	2,542,393	-	-	-
Trade creditors	1,534,342	332,310	-	-
Amounts owed to group undertakings	-	-	3,814,739	-
Corporation tax	-	113,589	-	-
Other taxation and social security	444,367	899,249	-	-
Obligations under finance lease and hire purchase contracts	14,444	14,444	-	-
Other creditors	184,390	79,163	-	-
Accruals and deferred income	6,036,452	6,481,328	-	-
	<u>10,756,526</u>	<u>7,920,145</u>	<u>3,814,853</u>	<u>-</u>

**Secured loans**

The short term bank loans are secured by a fixed and floating charge over certain specific assets. The loans will mature by 30 September 2020.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**23. Creditors: Amounts falling due after more than one year**

	Group 2019 £	Group 2018 £
Net obligations under finance leases and hire purchase contracts	10,870	25,364
Accruals	268,333	303,333
	<u>279,203</u>	<u>328,697</u>



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HAT TRICK HOLDINGS (2019) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**24. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £
Within one year	14,444	14,444
Between 1-5 years	10,870	25,364
	<u>25,314</u>	<u>39,808</u>

**25. Deferred taxation**

**Group**

	2019 £	2018 £
At beginning of year	238,398	162,932
Charged to profit or loss	(61,135)	75,466
<b>At end of year</b>	<u>177,263</u>	<u>238,398</u>

The deferred tax asset is made up as follows:

	Group 2019 £	Group 2018 £
Decelerated capital allowances	44,109	43,908
Share option reserves	133,154	194,490
	<u>177,263</u>	<u>238,398</u>

**26. Pension commitments**

The Group contributes to a defined contribution 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 £212,801 (2018 - £237,457). Contributions totalling £11,531 (2018 - £4,834) were payable to the fund at the Statement of Financial Position date and are included in creditors.

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**27. Commitments under operating leases**

At 31 December 2019 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Not later than 1 year	<b>700,000</b>	700,000
Later than 1 year and not later than 5 years	<b>2,800,000</b>	2,800,000
Later than 5 years	<b>2,100,000</b>	2,800,000
	<b><u>5,600,000</u></b>	<b><u>6,300,000</u></b>

**28. Share capital**

	<b>2019 £</b>	<b>2018 £</b>
<b>Allotted, called up and fully paid</b>		
61,429 (2018 - 61,428) Ordinary shares of £1 each	<b><u>61,429</u></b>	<b><u>61,428</u></b>

1 Ordinary share of £1 was allotted and fully paid at par on incorporation to provide initial working capital. A further 61,428 Ordinary shares of £1 each were allotted on 5 August 2019 in consideration of acquisition of Hat Trick Holdings Limited. The comparative figure is for the share capital of Hat Trick Holdings Limited.

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**29. Reserves**

**Share premium account**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

**Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the Group.

**Share option reserve**

This reserve records all changes in relation to the enterprise management share option scheme implemented by the Group.

**Merger Reserve**

The merger reserve represents equity recognised on the acquisition of Hat Trick Holdings Limited being the difference between the fair value of the consideration paid and the nominal value of the shares acquired.

**Profit and loss account**

This reserve represents the cumulative balance of retained profits and losses to the Statement of Financial Position date, all of which are distributable.

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**HAT TRICK HOLDINGS (2019) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**30. Share based payments**

**Equity-settled share option scheme**

The Group has implemented two enterprise management incentive share option schemes for certain directors and key employees, one on the 30th November 2006 and the other on 25th January 2011. All share options granted after 25th January 2011, which includes all the options granted in 2011, will be under the latter scheme.

Share options granted under these schemes are only exercisable on or after the earlier of an exit event and any date(s) as specified in the option agreement. Under both scheme rules, an exit event is defined as the earlier of a share sale, a listing or a trade sale.

During the year, 7,678 options in the shares of Hat Trick Holdings Limited were exercised at the option price of £1 per share as part of a group restructure. The fair value at date of exercised was £390 per share. At 31 December 2019, 6,296 (2018 - 14,487) options remained outstanding. Options are forfeited if the employee leaves the Group before they have been exercised.

The weighted average remaining contractual life of the share options outstanding at the end of the period was 3 years.

The aggregate fair value of the remaining share options at the Statement of Financial Position date was £700,813 (2018 - £1,023,630). The net movement in the fair value of options for the year of £322,817 (2018 - £237,527) has been reflected in the Statement of Comprehensive Income..

This is based on the Black – Scholes model using the following assumptions:

Weighted average share price at grant	£117.25
Weighted average exercise price	£1.00
Expected volatility	93%
Risk-free rate	2.13%

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## HAT TRICK HOLDINGS (2019) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 31. Related party transactions

During the year, the Group entered into transactions on an arms length basis, in the ordinary course of the business, and had balances at the year end with the following parties.

	Year ended 31 Dec 2019 Sales £	Year ended 31 Dec 2019 Debtor/ (Creditor) £	Year ended 31 Dec 2018 Sales £	Year ended 31 Dec 2018 Debtor/ (Creditor) £
Plum Pictures Limited	1,763,462	(875,385)	1,940,892	(347,731)
Emporium Productions Limited	597,578	183,860	693,041	(160,776)
HTM Television Limited	111,687	1,102,524	(5,500)	293,051
Livewire Pictures Limited	236,514	986,967	73,778	584,909
Toff Media Limited	-	13,950	-	-
	<u>2,709,241</u>	<u>1,411,916</u>	<u>2,702,211</u>	<u>369,453</u>

During the year the Group paid dividends of £892,539 (2018 - £765,030) to J Mulville, a director of the Company.

At the Statement of Financial Position date the Group was owed £3,559 (2018 - £2,455) by J Mulville included in other debtors.

During the year the Group paid dividends amounting to £175,041 (2018 - £150,012) to P McKenna, a director of the Company.

The Company has taken advantage of the exemption under FRS102 33.1A Related Party Disclosures not to disclose transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

#### Key management personnel

During the year, the Group paid remuneration totalling £1,773,337 (2018 - £2,088,421) to its key management personnel.

#### 32. Events after the year end

The worldwide outbreak of the COVID-19 pandemic has had a significant impact upon the general economic environment since the year end. Details of the effect on the Group are set out in further detail in the Directors' Report.

In view of the above event, the Group has reviewed its cash flow forecasts and considered the impact on going concern, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the likely cash flow impact of operations 12 months from the date of signing this report. Please refer to note 2.4 for further detail on the Group's going concern basis of preparation.

The COVID-19 pandemic is considered to be a non-adjusting event and therefore has not been taken into account in preparing the Statement of Financial Position as at 31 December 2019.

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**HAT TRICK HOLDINGS (2019) LIMITED**

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**33. Ultimate controlling party**

The directors regard J Mulville, a director of the Company, as the ultimate controlling party.