

108 MEDIA LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

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108 MEDIA LTD

COMPANY INFORMATION

Directors	A Rastogi EG Sullivan
Company secretary	1st Secretaries Limited
Registered number	13176136
Registered office	Parkshot House 5 Kew Road Richmond TW9 2PR
Independent auditor	SRLV Audit Limited Chartered Accountants & Statutory Auditor Elsley Court 20-22 Great Titchfield Street London W1W 8BE

108 MEDIA LTD

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108 MEDIA LTD

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2022

Introduction

The directors present their report and financial statements for the period ended 31 March 2022.

Business review

The company was incorporated on 3 February 2021. These financial statements represent the period from incorporation to 31 March 2022. On 10 December 2021, 108 Media Ltd achieved its initial strategic goal, part of its M&A roll-up strategy, by completing the acquisition of N.B.D. Holdings Limited and its subsidiaries.

In the period of trading from acquisition date to the period end, the directors report turnover of £7.4m and gross profit of £0.8m, as shown on page 9. The acquired underlying group reported turnover of £14.2m (up from £11.4m in the previous year), gross profit of £2.1m and operating profit of £3.8m for its full financial year to 31 March 2022. Included in this operating profit is one-off other income of £3.6m in relation to the release of amounts due to the former shareholder, DCD Media plc.

These results illustrate the success of the N.B.D. Holdings business acquired, and specifically DCD Rights Limited, the main trading subsidiary in this group. The directors are confident that in the following year when a full year's results for the N.B.D. Holdings group are incorporated into this consolidation, the results for the 108 Media group will illustrate the successful integration of the business following acquisition.

The group has retained the existing customers and programme catalogue from the previous owners and actively seeks to significantly grow this business by: (1) continuing to grow DCD's legacy business, catalogue sales and acquiring new title rights; (2) adding 108 Media's premium IP slate to its sales pipeline; and (3) taking advantage of management's exceptional and extensive experience in the industry.

Principal risks and uncertainties

General commercial risks

The group's management aims to minimise risk of over-reliance on individual business segments, members of staff, productions or customers by developing a broad, balanced stable of production and distribution activities and intellectual property. Clear risk assessment and strong financial and operational management is essential to control and manage the group's existing business, retain key staff and balance current development with future growth plans. As the group operates in overseas markets, it is also subject to exposures on transactions undertaken in foreign currencies.

Production and distribution revenue

Production and distribution revenue for the group is expected to grow significantly in the coming 12 months and beyond. Having achieved a solid foundation with NBD Holdings, DCD Rights, extensive 108 Media IP assets and with key management and funding in place, the group is well placed to build out its M&A roll-up media strategy of acquiring further mid-market film and TV production, sales and distribution assets.

Funding and liquidity risk

Securing funding from external parties to support the group's strategy and grow the existing catalogues and assets is key to the content development, creation, rights, sales and licensing business. The directors are comfortable given the relationships with current funding partners they have adequate resources to meet their acquisition plans for the foreseeable future.

Exchange rate risk

Management review expected cash inflows and outflows in source currency on a regular basis. The group applies foreign currency matching principles to reduce foreign currency exposure and protect against any short-term fluctuations where possible.

Brexit

The group's multinational channel customers have been impacted by Brexit with the need to develop local production hubs and offices, but the current slate of programming remains in demand across Europe and continues to trade under the ECTT Rules. Management remains vigilant as this comes up in discussions at the EU.

108 MEDIA LTD

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

Covid-19

Whilst the pandemic has undoubtedly changed the TV distribution and production business, the spread of Covid-19 had boosted digital media consumption as consumers spent more time at home and communicated in person less. Following the lifting of most Covid-19 restrictions, consumer consumption has continued at strong levels. The challenges that existed for distribution businesses have now minimised and the group continues to respond well to the shift towards digital consumption by collaborating with more OTT content platforms to exploit the range of catalogue content. Management remains vigilant to any ongoing developments of Covid-19 and its impact on the TV distribution and production business.

Financial key performance indicators

The group uses a number of performance indicators to monitor and manage the business effectively. The key performance indicators for the four-month operating period from 10 December to 31 March 2022 are set out below.

	2022 £000's
Turnover	7,412
Gross profit	821
Total operating profit	210
EBITDA (as a measure of cash generation)	288*
*Representing:	
Total operating profit	210
Add back:	
Depreciation and amortisation of goodwill on acquisition of NBD	78
EBITDA	288

This report was approved by the board on

2 Mar '22

and signed on its behalf.


A Rastogi
Director

108 MEDIA LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2022

The directors present their report and the financial statements for the period from incorporation on 3 February 2021 to 31 March 2022.

Principal activity

The principal activity of the company is that of a holding company. During the period, the company acquired a group whose activity is the worldwide distribution of intellectual property, specialising in music, drama, factual and general entertainment.

Results and dividends

The profit for the period, after taxation, amounted to £126,309.

No interim or final dividend has been proposed by the directors during the period.

Directors

The directors who served during the period were:

A Rastogi (appointed 3 February 2021)
EG Sullivan (appointed 24 February 2022)
R Mewis (appointed 22 March 2021, resigned 3 January 2022)

Future developments

The directors are confident that by pursuing the management policies the group will achieve continued success in the years ahead.

Matters covered in the group strategic report

The principal risks and uncertainties facing the group and key financial performance indicators have been considered in the group strategic report.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

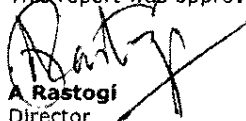
Post balance sheet events

There have been no significant events affecting the group since the period end.

Auditor

SRLV Audit Limited was appointed as auditor after the balance sheet date. Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to the 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


A Rastogi
Director

2 Nov '22

and signed on its behalf.

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2022**

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 judgements 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.

108 MEDIA LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 108 MEDIA LTD

Opinion

We have audited the financial statements of 108 Media Ltd (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2022, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, the consolidated statement of cash flows, the consolidated analysis of net debt 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 March 2022 and of the group's profit for the period 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 108 MEDIA LTD (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 period 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 set out 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 108 MEDIA LTD (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the entity's industry and sector, control environment, business performance and management incentives;
- the results of our specific enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: recognition of revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks in which the group operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 108 MEDIA LTD (CONTINUED)

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Whilst the procedures above describe the extent to which our procedures are capable of detecting irregularities, including fraud, there are inherent limitations in these audit procedures. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, misrepresentation or through collusion. We are not responsible for preventing irregularities, including fraud, or non-compliance with laws and regulations and cannot be expected to detect all irregularities or non-compliance with all laws and regulations.

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

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.

SRLV Audit Limited

Richard Gilbert (Senior Statutory Auditor)

for and on behalf of
SRLV Audit Limited

Chartered Accountants
Statutory Auditor

Elsley Court
20-22 Great Titchfield Street
London
W1W 8BE

3 November 2022

108 MEDIA LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022

	Note	Period ended 31 March 2022 £
Turnover	4	7,412,230
Cost of sales		(6,591,070)
Gross profit		821,160
Administrative expenses		(634,933)
Other operating income	5	23,831
Operating profit	6	210,058
Interest receivable and similar income	9	270
Interest payable and similar charges	10	(46,931)
Profit before taxation		163,397
Tax on profit	11	(37,088)
Profit for the financial period		126,309
Profit for the period attributable to:		
Owners of the parent company		126,309

There was no other comprehensive income for 2022.

The notes on pages 16 to 31 form part of these financial statements.

108 MEDIA LTD
REGISTERED NUMBER: 13176136
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £
Fixed assets		
Intangible assets	13	2,854,661
Tangible assets	14	13,590
		<u>2,868,251</u>
Current assets		
Debtors: amounts falling due within one year	16	9,730,179
Cash at bank and in hand	17	3,191,627
		<u>12,921,806</u>
Creditors: amounts falling due within one year	18	<u>(14,475,017)</u>
Net current liabilities		<u>(1,553,211)</u>
Total assets less current liabilities		<u>1,315,040</u>
Creditors: amounts falling due after more than one year	19	<u>(1,188,730)</u>
Net assets		<u><u>126,310</u></u>
Capital and reserves		
Called up share capital	21	1
Profit and loss account	22	126,309
		<u><u>126,310</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 02/11/2022


A Rastogi
 Director

The notes on pages 16 to 31 form part of these financial statements.

108 MEDIA LTD
REGISTERED NUMBER:13176136

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £
Fixed assets		
Investments	15	4,392,421
		<u>4,392,421</u>
Current assets		
Debtors: amounts falling due within one year	16	40,674
		<u>40,674</u>
Creditors: amounts falling due within one year	18	(3,331,428)
		<u>(3,331,428)</u>
Net current liabilities		<u>(3,290,754)</u>
Total assets less current liabilities		<u>1,101,667</u>
Creditors: amounts falling due after more than one year	19	(1,188,730)
		<u>(1,188,730)</u>
Net liabilities		<u>(87,063)</u>
Capital and reserves		
Called up share capital	21	1
Profit and loss account	22	(87,064)
		<u>(87,063)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 02/11/2022

A Rastogi
 Director

The notes on pages 16 to 31 form part of these financial statements.

108 MEDIA LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive income for the period			
Profit for the period	-	126,309	126,309
Total comprehensive income for the period	-	126,309	126,309
Contributions by and distributions to owners			
Shares issued during the period	1	-	1
Total transactions with owners	1	-	1
At 31 March 2022	1	126,309	126,310

108 MEDIA LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive income for the period			
Loss for the period	-	(87,064)	(87,064)
Total comprehensive income for the period	-	(87,064)	(87,064)
Contributions by and distributions to owners			
Shares issued during the period	1	-	1
Total transactions with owners	1	-	1
At 31 March 2022	1	(87,064)	(87,063)

108 MEDIA LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022

	2022 £
Cash flows from operating activities	
Profit for the financial period	126,309
Adjustments for:	
Amortisation of intangible assets	73,196
Depreciation of tangible assets	4,676
Interest payable and similar charges	46,931
Interest receivable and similar income	(270)
Taxation charge	37,088
Increase in debtors	(3,199,345)
Increase in creditors	3,027,049
Corporation tax paid	(17,002)
Net cash generated from operating activities	98,632
Cash flows from investing activities	
Interest received	270
Acquisition of subsidiaries, net of cash acquired	3,093,346
Net cash generated from investing activities	3,093,616
Cash flows from financing activities	
Issue of ordinary shares	1
Interest paid	(622)
Net cash used in financing activities	(621)
Net increase in cash and cash equivalents	3,191,627
Cash and cash equivalents at the end of period	3,191,627
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	3,191,627
	3,191,627

108 MEDIA LTD

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 31 MARCH 2022**

	Cash flows £	Acquisition of subsidiaries £	At 31 March 2022 £
Cash at bank and in hand	(251,719)	3,443,346	3,191,627
	<u>(251,719)</u>	<u>3,443,346</u>	<u>3,191,627</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

1. General information

The principal activity of the company is that of a holding company. During the period, the company acquired a group whose activity is the worldwide distribution of intellectual property, specialising in music, drama, factual and general entertainment.

The parent company is a private company limited by shares, registered in England and Wales. The address of its registered office and principal place of business is Parkshot House, 5 Kew Road, Richmond, TW9 2PR.

The company was incorporated on 3 February 2021. These financial statements represent the period from incorporation to 31 March 2022.

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 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 balance sheet, 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.

2.3 Going concern

The directors continue to assess, on a daily basis, the economic impact of the uncertainty arising from the pandemic and the war in Ukraine. They have considered the position of the group at the period end as well as at the date of signature of the financial statements, including considering the cash flows of the company and group. The directors are satisfied that the group will be able to satisfy its financial obligations for at least 12 months from the date of signature of the financial statements.

The directors believe that they have considered all relevant information available to them at this time and on that basis they have concluded that it is appropriate to prepare these financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound 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.

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 profit or loss.

2.5 Revenue

Distribution revenue arises from the licensing of programme rights which have been obtained under distribution agreements with either external parties or group companies. Distribution revenue is recognised in the consolidated statement of comprehensive income on signature of the licence agreement and represents amounts receivable from such contracts.

All revenue excludes value added tax.

2.6 Interest income

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

2.7 Finance costs

Finance costs are charged to consolidated profit or loss 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.

2.8 Pensions

Defined contribution pension plan

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 consolidated profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in profit or loss 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 balance sheet date.

2.10 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, which is 10 years.

Programme rights

Programme rights are stated at the lower of cost, less accumulated amortisation, or recoverable amount. Cost comprises the cost of all productions and all other directly attributable costs incurred up to completion of the programme and all programme development costs. Where programme development is not expected to proceed, the related costs are written off to the statement of comprehensive income. Amortisation of programme costs is charged in the ratio that actual revenue recognised in the current year bears to estimated ultimate revenue. At each statement of financial position date, the directors review the carrying value of programme rights and consider whether a provision is required to reduce the carrying value of the investment in programmes to the recoverable amount. Purchased programme rights are amortised over a period in-line with expected useful life, not exceeding 7 years.

2.11 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.

At each reporting date, the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

2. Accounting policies (continued)**2.11 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.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33% straight line
Office equipment	-	33% 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.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.14 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.

2.15 Creditors

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

2.16 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans to related parties.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

2. Accounting policies (continued)**2.16 Financial instruments (continued)**

found, an impairment loss is recognised in the consolidated statement of comprehensive income.

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 balance sheet date.

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

In applying the group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent sensitivity involved in making judgements, estimates and assumptions, the actual results and outcomes may differ.

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 judgements in applying the group's accounting policies***Assessing indicators of impairment***

In assessing whether there have been any indicators of impairment to assets, including goodwill, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability.

Assessing the functional currency

The directors are required to identify the functional currency of the company and each subsidiary undertaking. In making this judgement the directors have considered factors such as currency which mainly influences both sales and cost prices, and the countries whose competitive forces and regulations affect those prices.

Key accounting estimates and assumptions***Determining residual values useful economic lives of property, plant and equipment***

The group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value, management aim to assess the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

4. Turnover

An analysis of turnover by class of business is as follows:

	Period ended 31 March 2022 £
Distribution revenue	7,412,230

Analysis of turnover by country of destination:

	Period ended 31 March 2022 £
United Kingdom	949,362
Rest of Europe	1,324,363
Rest of the world	5,138,505
	<u>7,412,230</u>

5. Other operating income

	Period ended 31 March 2022 £
Other operating income	23,831

6. Operating profit

The operating profit is stated after charging:

	Period ended 31 March 2022 £
Depreciation of tangible fixed assets	4,676
Amortisation of goodwill	73,196
Exchange differences	7,349
Defined contribution pension cost	6,005

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

7. Auditor's remuneration

	Period ended 31 March 2022 £
Fees payable to the company's auditor for the audit of the group's annual financial statements	46,450
Fees payable to the company's auditor in respect of:	
Accountancy services	13,500
Taxation compliance services	7,800
	<u>21,300</u>

8. Employees

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

	Group 2022 £	Company 2022 £
Wages and salaries	309,210	-
Social security costs	35,097	-
Cost of defined contribution scheme	6,005	-
	<u>350,312</u>	<u>-</u>

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

	Period ended 31 March 2022 No.
Directors	2
Employees	15
	<u>17</u>

The company has no employees other than the directors, who did not receive any remuneration.

No amounts were paid to directors during the period in respect of remuneration.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

9. Interest receivable and similar income

	Period ended 31 March 2022 £
Other interest receivable	270

10. Interest payable and similar charges

	Period ended 31 March 2022 £
Bank Interest payable	622
Other interest payable	46,309
	46,931

11. Taxation

	Period ended 31 March 2022 £
Corporation tax	
Current tax on profits for the year	37,088
	37,088
Total current tax	37,088
Deferred tax	
Total deferred tax	-
Taxation on profit on ordinary activities	37,088

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

11. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 March 2022 £
Profit on ordinary activities before tax	163,397
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	31,045
Effects of:	
Expenses not allowable for tax purposes	118
Goodwill amortisation	13,908
Depreciation in excess of capital allowances	(399)
Other	176
Brought forward losses utilised	(7,760)
Total tax charge for the period	37,088

Factors that may affect future tax charges

The group has estimated losses of £1,682,679 (2021 - £1,682,679) available for carry forward against future trading profits. No deferred tax has been recognised in respect of these losses due to the uncertainty of sufficient future profits against which to recover the asset.

12. Parent company profit for the period

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 loss after tax of the parent company for the period was £87,064.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

13. Intangible assets

Group

	Goodwill £
Cost	
Additions	<u>2,927,857</u>
At 31 March 2022	<u>2,927,857</u>
Amortisation	
Charge for the period	<u>73,196</u>
At 31 March 2022	<u>73,196</u>
Net book value	
At 31 March 2022	<u>2,854,661</u>

14. Tangible fixed assets

Group

	Office equipment £
Cost	
Acquisition of subsidiary	<u>18,266</u>
At 31 March 2022	<u>18,266</u>
Depreciation	
Charge for the period	<u>4,676</u>
At 31 March 2022	<u>4,676</u>
Net book value	
At 31 March 2022	<u>13,590</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
Additions	4,392,421
At 31 March 2022	<u>4,392,421</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

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

The following were subsidiary undertakings of the company:

Name	Principal activity	Country of incorporation	Class of shares	Holding
N.B.D. Holdings Limited	Holding company	England and Wales	Ordinary	100%
DCD Rights Limited*	Distribution of programme rights	England and Wales	Ordinary	100%
September Films Limited*	Television programme rights exploitation	England and Wales	Ordinary	100%
Rize Television Limited*	Television programme rights exploitation	England and Wales	Ordinary	100%
Box TV Limited*	Intermediate holding company	England and Wales	Ordinary	100%
Box Film Limited**	Dormant company	England and Wales	Ordinary	100%
Box TV (Dice) Limited**	Dormant company	England and Wales	Ordinary	100%
Box TV (S&L) Limited**	Dormant company	England and Wales	Ordinary	100%
Box TV (Prodco) Limited**	Dormant company	England and Wales	Ordinary	100%
Box Film (Boudicca) Limited**	Dormant company	England and Wales	Ordinary	100%
Box TV (In Production) Limited**	Dormant company	England and Wales	Ordinary	100%
Box TV (Production) Limited**	Dormant company	England and Wales	Ordinary	100%
DCD Drama Limited*	Dormant company	England and Wales	Ordinary	100%
N.B.D. Pictures Limited*	Dormant company	England and Wales	Ordinary	100%
Prospect Pictures Limited*	Dormant company	England and Wales	Ordinary	100%
Rize Publishing Limited***	Dormant company	England and Wales	Ordinary	100%
Rize International Limited***	Dormant company	England and Wales	Ordinary	100%
September Songs Limited****	Dormant company	England and Wales	Ordinary	100%
Breathtaking Limited****	Dormant company	England and Wales	Ordinary	100%
Digital Classics Distribution (Two) Limited*	Dormant company	England and Wales	Ordinary	100%

* - owned by N.B.D. Holdings Limited

** - owned by Box TV Limited

*** - owned by Rize Television Limited

**** - owned by September Films Limited

The results of the above subsidiaries are included in these consolidated financial statements. The address of the registered office for DCD Rights Limited, September Films Limited, Rize Television Limited and Box TV Limited is Dickson Minto Ws, Broadgate Tower, 20 Primrose Street, London, England, EC2A 2EW. The registered office for the remaining subsidiaries is 6th Floor, 2 Kingdom Street, London, W2 6JP.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

16. Debtors

	Group 2022 £	Company 2022 £
Trade debtors	6,979,549	-
Other debtors	766,504	40,674
Prepayments and accrued income	1,984,126	-
	<u>9,730,179</u>	<u>40,674</u>

17. Cash and cash equivalents

	Group 2022 £	Company 2022 £
Cash at bank and in hand	<u>3,191,627</u>	-

18. Creditors: Amounts falling due within one year

	Group 2022 £	Company 2022 £
Trade creditors	112,004	5,316
Corporation tax	50,350	-
Other taxation and social security	36,799	-
Other creditors	3,450,239	3,314,012
Accruals and deferred income	10,825,625	12,100
	<u>14,475,017</u>	<u>3,331,428</u>

Included in other creditors is the deferred consideration due in respect of the company's acquisition of the N.B.D. Holdings Limited group that is due within one year.

19. Creditors: Amounts falling due after more than one year

	Group 2022 £	Company 2022 £
Other creditors	<u>1,188,730</u>	<u>1,188,730</u>

Included in other creditors is the deferred consideration due in respect of the company's acquisition of the N.B.D. Holdings Limited group that is due after one year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

20. Financial instruments

	Group 2022 £
Financial assets	
Financial assets measured at fair value through profit or loss	<u>3,191,627</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

21. Share capital

	2022 £
Allotted, called up and fully paid	
1 ordinary share of £1	<u>1</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and repayment of capital.

The one share above was issued at par on the incorporation of the company on 3 February 2021.

22. Reserves

Profit and loss account

This reserve is the accumulated retained profit.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

23. Business combinations

On 10 December 2021, 108 Media Ltd acquired the entire issued share capital of N.B.D. Holdings Limited and its subsidiaries from DCD Media plc.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed assets			
Tangible	18,266	-	18,266
	<u>18,266</u>	<u>-</u>	<u>18,266</u>
Current assets			
Debtors	6,530,834	-	6,530,834
Cash at bank and in hand	3,443,346	-	3,443,346
Total assets	<u>9,992,446</u>	<u>-</u>	<u>9,992,446</u>
Creditors			
Due within one year	(8,527,882)	-	(8,527,882)
Total identifiable net assets	<u>1,464,564</u>	<u>-</u>	<u>1,464,564</u>
Goodwill			<u>2,927,857</u>
Total purchase consideration			<u>4,392,421</u>
Consideration			£
Cash			350,000
Deferred consideration			<u>4,042,421</u>
Total purchase consideration			<u>4,392,421</u>
Cash outflow on acquisition			£
Purchase consideration settled in cash			<u>350,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

23. Business combinations (continued)

The goodwill arising on acquisition is attributable primarily to the intellectual property acquired through DCD Rights Limited. The company holds the programme rights to the title catalogue for a term spanning the life of each title. The goodwill also reflects the value that directors believe the company can add to the already successful DCD Rights business through exposure to new markets.

The results of N.B.D. Holdings Limited and its subsidiaries since acquisition are as follows:

	Current period since acquisition £
Turnover	7,412,230
Profit before taxation for the period since acquisition	323,657

24. Pension commitments

The group makes payments into personal pension plans and operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the group to the personal pension plans and defined contribution pension scheme.

Contributions paid by the group for the period amounted to £6,005. At the year end, there were contributions payable of £3,639 in creditors.

25. Commitments under operating leases

At 31 March 2022 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £
Not later than 1 year	10,748
Later than 1 year and not later than 5 years	3,428
	14,176

26. Related party transactions

No disclosure has been made of transactions with wholly owned group companies in accordance with FRS 102 Section 33 paragraph 33.1A.

27. Controlling party

The immediate and ultimate parent company is 108 World LLC, a company incorporated in the United States of America. Its registered office is 8 The Green, Suite A in the City of Dover, 19901.

The ultimate controlling party is A Rastogi through his ownership of 108 World LLC.