Company Registration No. 07106615 (England and Wales)

GINX TV LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

GINX TV LIMITED

COMPANY INFORMATION

Directors	Peter Einstein	
	Henry Chamberlain	
	Andrew Young	(Appointed 19 September 2016)
	Martin Goswami	(Appointed 20 September 2016)
	Hannah Brown	(Appointed 20 September 2016)
Company number	07106615	
Registered office	Unit 8 Acorn Production Centre 105 Blundell Street London N7 9BN	
Auditor	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF	

GINX TV LIMITED

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GINX TV LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets			229,357		262,122
Tangible assets	5		246,382		28,113
Investments	6		1,000		1,000
			476,739		291,235
Current assets					
Debtors falling due after more than one year	7	191,233		-	
Debtors falling due within one year	7	1,110,118		380,928	
Cash at bank and in hand		1,633,346		193,286	
		2,934,697		574,214	
Creditors: amounts falling due within one year	8	(1,184,775)		(717,248)	
Net current assets/(liabilities)			1,749,922		(143,034)
Total assets less current liabilities			2,226,661		148,201
Creditors: amounts falling due after more than one year	9		(23,388)		(236,302)
Net assets/(liabilities)			2,203,273		(88,101)
Capital and reserves					
Called up share capital	11		29,872		15,394
Share premium account			9,228,971		5,618,889
Profit and loss reserves			(7,055,570)		(5,722,384)
Total equity			2,203,273		(88,101)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

GINX TV LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 13/09/2017 and are signed on its behalf by:

Henry Chamberlain

Henry Chamberlain
Director

Company Registration No. 07106615

GINX TV LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 January 2015		8,663	3,298,435	(5,010,509)	(1,703,411)
Year ended 31 December 2015:					
Loss and total comprehensive income for the year		-	-	(711,875)	(711,875)
Issue of share capital	**11**	6,731	2,320,454	-	2,327,185
Balance at 31 December 2015		15,394	5,618,889	(5,722,384)	(88,101)
Year ended 31 December 2016:					
Loss and total comprehensive income for the year		-	-	(1,333,186)	(1,333,186)
Issue of share capital	**11**	14,159	3,610,082	-	3,624,241
Bonus issue of shares	**11**	319	-	-	319
Balance at 31 December 2016		29,872	9,228,971	(7,055,570)	2,203,273

1 Accounting policies

Company information

Ginx TV Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 8 Acorn Production Centre, 105 Blundell Street, London, N7 9BN. The company registration no. is 07106615.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Ginx TV Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Transitional relief

On transition to FRS102 from previous UK GAAP, the company has taken advantage of transitional relief as follows:

Share based payment transactions

The company has elected not to apply Section 26 Share based payment to equity instruments granted before the start of the first reporting period that complies with this accounting standard. Financial Reporting Standard for Smaller Entities (effective January 2015) has been applied to instruments granted in the prior period.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

As at 31 December 2016 the company had retained losses of £7,055,570 after losses for the year of £1,333,186. The directors have prepared cash flow forecasts for the next 18 months based on secured contracts, anticipated programme, channel and advertising revenues and expected costs. These forecasts indicate that the company is likely to require additional funding within the next 6 months. Discussions with external investors are in process and the directors are confident that sufficient funding will be secured in the near future. As a result the directors have concluded that the company will have sufficient funds to meet its liabilities as they fall due for at least the next 12 months and that the going concern basis remains appropriate.

1.3 Turnover

Turnover is recognised at the fair value of the consideration receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5 years straight line
Plant and machinery	2-5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using either the fair value of the services received or the Black-Scholes model if that fair value cannot be estimated reliably. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1 Accounting policies **(Continued)**

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Operating loss

	2016	2015
Operating loss for the year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	10,084	10,500

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 14 (2015 - 11).

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2016 and 31 December 2016	327,652
Amortisation and impairment	
At 1 January 2016	65,530
Amortisation charged for the year	32,765
At 31 December 2016	98,295
Carrying amount	
At 31 December 2016	229,357
At 31 December 2015	262,122

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	-	472,922	472,922
Additions	63,611	212,039	275,650
At 31 December 2016	63,611	684,961	748,572
Depreciation and impairment			
At 1 January 2016	-	444,809	444,809
Depreciation charged in the year	10,542	46,839	57,381
At 31 December 2016	10,542	491,648	502,190
Carrying amount			
At 31 December 2016	53,069	193,313	246,382
At 31 December 2015	-	28,113	28,113

6 Fixed asset investments

	2016	2015
	£	£
Investments	1,000	1,000

7 Debtors

	2016	2015
Amounts falling due within one year:	£	£
Trade debtors	255,683	237,403
Other debtors	319,027	44,899
Prepayments and accrued income	535,408	98,626
	1,110,118	380,928

	2016	2015
Amounts falling due after more than one year:	£	£
Prepayments and accrued income	191,233	-
Total debtors	1,301,351	380,928

8 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Debenture loans		235,000	-
Obligations under finance leases		34,146	5,103
Trade creditors		642,168	426,979
Other taxation and social security		16,598	11,334
Other creditors		659	5,163
Accruals and deferred income		256,204	268,669
		1,184,775	717,248

9 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Debenture loans		-	235,000
Obligations under finance leases		23,388	1,302
		23,388	236,302

10 Share-based payment transactions

During the year the company settled services worth £800,000 receivable over a 2 year period commencing June 2016 through the issue of shares. The services are being recognised in profit and loss as they are being received. The total expense recognised in profit and loss for the year was £208,767. The shares issued as a result of this transaction have been recognised in equity at the value of the services received with any premium recognised in share premium reserve.

11 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Allotted, called up and fully paid		
1,736,358 Ordinary Shares of 1p each	17,364	15,394
525,400 Ordinary 'A' Shares of 1p each	5,254	-
525,400 Ordinary 'B' Shares of 1p each	5,254	-
200,000 Ordinary 'C' Shares of 1p each	2,000	-
	29,872	15,394

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2016	2015
	£	£
Land and buildings	355,590	-

In the prior year the lease of premises was not a secured tenancy agreement, so no commitment existed.

13 *Audit report information*

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £1,333,186 for the year ended 31 December 2016 although, at that date, the company's net asset position had improved on the previous year, with net assets of £2,203,273. However, losses at the current levels indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The senior statutory auditor was Paul Maberly FCA.
The auditor was Mercer & Hole.