

Company Registration No. 07106615 (England and Wales)

GINX TV LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
PAGES FOR FILING WITH REGISTRAR

GINX TV LIMITED

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GINX TV LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		531,250		163,827
Tangible assets	4		54,469		154,831
Investments	5		1,000		1,000
			<u>586,719</u>		<u>319,658</u>
Current assets					
Debtors	7	674,084		742,701	
Cash at bank and in hand		173,000		341,561	
		<u>847,084</u>		<u>1,084,262</u>	
Creditors: amounts falling due within one year	8	<u>(1,499,640)</u>		<u>(1,588,474)</u>	
Net current liabilities			<u>(652,556)</u>		<u>(504,212)</u>
Total assets less current liabilities			<u>(65,837)</u>		<u>(184,554)</u>
Capital and reserves					
Called up share capital	9		29,872		29,872
Share premium account			9,228,971		9,228,971
Other reserves			241,452		241,452
Profit and loss reserves			<u>(9,566,132)</u>		<u>(9,684,849)</u>
Total equity			<u>(65,837)</u>		<u>(184,554)</u>

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.

The financial statements were approved by the board of directors and authorised for issue on 22 December 2020 and are signed on its behalf by:

Henry Chamberlain
Director

Company Registration No. 07106615

GINX TV LIMITED

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

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2018	29,872	9,228,971	208,460	(8,827,049)	640,254
Year ended 31 December 2018:					
Loss and total comprehensive income for the year	-	-	-	(857,800)	(857,800)
Transfers	-	-	32,992	-	32,992
Balance at 31 December 2018	29,872	9,228,971	241,452	(9,684,849)	(184,554)
Year ended 31 December 2019:					
Profit and total comprehensive income for the year	-	-	-	118,717	118,717
Balance at 31 December 2019	29,872	9,228,971	241,452	(9,566,132)	(65,837)

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

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

Following the declaration of a worldwide COVID-19 pandemic by the World Health Organisation in March 2020, the impact of the virus has been dominating the world social and economic climate presenting all businesses with a unique set of circumstances increasing the unpredictability of future trading conditions and threatening the global economy.

At the time of approving the financial statements, the directors have considered trading levels since the pandemic was announced. Revenues in 2020 are forecast to be down against 2019 and despite cost savings, the company is likely to return a loss. With the expectation that economic uncertainties are likely to continue into 2021, the directors have prepared detailed budgets and forecasts to December 2021 based on secured and anticipated channel distribution contracts, as well as anticipated programme, channel and advertising revenues and expected costs.

These forecasts indicate that the company is unlikely to be able to operate within its available cash balances should further funding not be secured and does not factor in the repayment of the loan notes. The directors are currently in the process of extending the term of the loan notes in issue as well as seeking further funds of approximately £300,000. Half of this has been offered by existing investors with the same amount to be matched by a convertible loan from the Government's Future Fund scheme. The directors are confident that this will be secured.

Whilst there remains a material uncertainty, 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.

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 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.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Website Development Costs	20% reducing balance
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1.7 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.

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

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.

1.10 Cash and cash equivalents

Cash and cash equivalents 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.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Fair value measurement of 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.

1.12 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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.

1.15 Retirement benefits

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

1.16 Share-based payments

The company operates equity-settled share-based remuneration plans for the remuneration of some of its employees. The company award share options to certain employees including directors to acquire shares of the company. Additionally, the company has issued warrants to providers of loan finance.

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.

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

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 complied with this accounting standard.

1.17 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 profit or loss 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 profit or loss 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 leases asset are consumed.

1.18 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 in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	27	26

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Intangible fixed assets

	Goodwill	Website Development Costs	Total
	£	£	£
Cost			
At 1 January 2019	327,652	-	327,652
Additions	-	400,188	400,188
	<u>327,652</u>	<u>400,188</u>	<u>727,840</u>
At 31 December 2019	327,652	400,188	727,840
Amortisation and impairment			
At 1 January 2019	163,825	-	163,825
Amortisation charged for the year	32,765	-	32,765
	<u>196,590</u>	<u>-</u>	<u>196,590</u>
At 31 December 2019	196,590	-	196,590
Carrying amount			
At 31 December 2019	131,062	400,188	531,250
	<u>131,062</u>	<u>400,188</u>	<u>531,250</u>
At 31 December 2018	163,827	-	163,827
	<u>163,827</u>	<u>-</u>	<u>163,827</u>

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2019	121,677	778,513	900,190
Additions	-	4,281	4,281
	<u>121,677</u>	<u>782,794</u>	<u>904,471</u>
At 31 December 2019	121,677	782,794	904,471
Depreciation and impairment			
At 1 January 2019	64,729	680,630	745,359
Depreciation charged in the year	27,869	76,774	104,643
	<u>92,598</u>	<u>757,404</u>	<u>850,002</u>
At 31 December 2019	92,598	757,404	850,002
Carrying amount			
At 31 December 2019	29,079	25,390	54,469
	<u>29,079</u>	<u>25,390</u>	<u>54,469</u>
At 31 December 2018	56,948	97,883	154,831
	<u>56,948</u>	<u>97,883</u>	<u>154,831</u>

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Fixed asset investments

	2019 £	2018 £
Investments	1,000	1,000

6 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
The Poker Channel Limited	Unit 8 Acorn Production Centre, r/o 105 Blundell Street, London N7 9BN	Dormant	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
The Poker Channel Limited	-	1,000

7 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	293,836	371,315
Corporation tax recoverable	104,071	17,597
Other debtors	16,239	60,306
Prepayments and accrued income	259,938	293,483
	674,084	742,701

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Redeemable loan notes	875,056	812,416
Obligations under finance leases	-	9,853
Trade creditors	278,836	346,578
Other taxation and social security	71,257	79,561
Other creditors	102,110	101,761
Accruals and deferred income	172,381	238,305
	<u>1,499,640</u>	<u>1,588,474</u>

Included within redeemable loan notes are loan notes along with associated accrued interest that the company issued in December 2017 and January 2018 with a face value of £522,059 and which were redeemable 18 months from issue and bear interest at 12%. Accrued interest at the balance sheet date totalled £117,997. Each loan note holder received share warrants as disclosed in note 11.

9 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Allotted, called up and fully paid		
1,736,358 Ordinary Shares of 1p each	17,364	17,364
525,400 Ordinary 'A' Shares of 1p each	5,254	5,254
525,400 Ordinary 'B' Shares of 1p each	5,254	5,254
200,000 Ordinary 'C' Shares of 1p each	2,000	2,000
	<u>29,872</u>	<u>29,872</u>

The company has four classes of shares: ordinary shares of £0.01 each, ordinary A shares of £0.01 each, ordinary B shares of £0.01 each which all have equal rights to receive dividends or capital repayments and each of which represents one vote at shareholder meetings; and ordinary C shares of £0.01 each which have limited rights as described in the company's articles; in particular they carry no right to dividends or to participate in any other distributions made to members either by way of income or a return of capital.

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Share-based payment transactions

Share warrants

In December 2017 and January 2018 the company issued warrants to subscribe for ordinary shares to the holders of loan notes. The number of shares shall be determined by dividing the aggregate amount of the loan notes by the exercise price of the warrant.

The exercise price shall be the higher of:

- a) £2.00 per share, and
- b) the highest price paid per share of any subsequent equity fund raising less 33% discount.

The warrants shall lapse if unexercised on the tenth anniversary of grant or if earlier on (i) the sale of the entire share capital of the company or (ii) those current eligible shareholders exercise their right under the shareholders agreement to acquire at least 75% of the issued share capital.

11 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:

	2019 £	2018 £
Land and buildings	118,530	197,550

12 Events after the reporting date

For these financial statements, the COVID-19 outbreak and related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. The directors have considered the potential impact this may have on future operations as outlined in note 1.2 and will continue to closely monitor the impact of the COVID-19 outbreak on the business activities of the company.

GINX TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

Material uncertainty related to 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 1.2 of the financial statements concerning the company's ability to continue as a going concern. The company is reliant on both the continuing support of its lenders. Whilst the company recorded a profit of £118,717 for the year ended 31 December 2019, at that date, the company had retained losses of £9,566,132, net current liabilities of £652,556 and net liabilities of £65,837. The company's net liabilities, along with its requirement to secure further funds as explained in note 1.2 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.