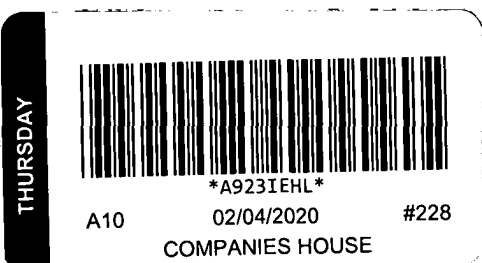


REGISTERED NUMBER: 07700945 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019
FOR
TELEVISION SYSTEMS HOLDINGS LIMITED**



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019**

| | Page |
|---|-------------|
| Company Information | 1 |
| Group Strategic Report | 2 |
| Report of the Directors | 5 |
| Report of the Independent Auditors | 6 |
| Consolidated Income Statement | 8 |
| Consolidated Other Comprehensive Income | 10 |
| Consolidated Balance Sheet | 11 |
| Company Balance Sheet | 12 |
| Consolidated Statement of Changes in Equity | 13 |
| Company Statement of Changes in Equity | 14 |
| Consolidated Cash Flow Statement | 15 |
| Notes to the Consolidated Cash Flow Statement | 16 |
| Notes to the Consolidated Financial Statements | 17 |

TELEVISION SYSTEMS HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2019**

DIRECTORS:

Mr D M MacGregor
Mr J R Knight
Mr C Exelby
Mr B E MacGregor
Mr D J MacGregor
Advantage Business Partnerships Ltd

REGISTERED OFFICE:

Mercury House
19-21 Chapel Street
Marlow
Buckinghamshire
SL7 3HN

REGISTERED NUMBER:

07700945 (England and Wales)

AUDITORS:

Richardson Jones
Registered Auditors &
Chartered Accountants
Mercury House
19-21 Chapel Street
Marlow
Buckinghamshire
SL7 3HN

TELEVISION SYSTEMS HOLDINGS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

The directors present their strategic report of the company and the group for the year ended 30th June 2019.

TELEVISION SYSTEMS HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30TH JUNE 2019

REVIEW OF BUSINESS

The results for the group show a pre-tax profit of £367,801 (2018: loss £2,187,049) for the period. The group has net assets of £2,891,221 (2018: £2,320,389) at the balance sheet date.

During the previous year, one of the company's subsidiaries Television Systems Limited, which operated as a Systems Integrator in the Broadcast industry and a fibre cable installer for the communications industry, went into Administration as a result of liquidity issues caused primarily by the failure of its fibre customers, notably one key customer, to pay outstanding invoices, as well as the increasingly competitive environment and difficult to manage payment terms experienced on broadcast integration projects.

Research and development

The Television Systems Group (TSL Group) operates primarily in the broadcasting industry which continues to change rapidly with new technological developments and techniques.

The TSL Group maintains a high level of awareness of new developments by attendance at industry exhibitions and seminars, close scrutiny of industry publications and information provided by third party suppliers of equipment that is subsequently used in the group's broadcast system, services and products.

Customers demand this latest technology and thus the TSL Group is well positioned to provide the professional serviceman equipment to enable the design and integration of broadcast systems to meet the customer's requirements.

The Group's products are constantly developed to adapt to the changing requirements of the new technologies, based on market research and specific customer requests.

Increasingly TSL is becoming a thought leader in the broadcast industry and indeed has seen its new range of IP-ready audio monitors lead the industry as customers seek to move to IP infrastructure-based installations.

Future outlook

Despite the difficulties experienced in the 2018 Financial Year, the future outlook for the Group is positive, as both traditional and new broadcasters continue to invest to keep up with technological developments and maximize production efficiencies.

The group continues to broaden the services and products it offers and the geographies, customer base and industries to which it offers them.

During the year, the Group's Professional Products arm experienced record revenue quarters, building a strong cash position and completed the acquisition of Universal Control Solutions Corp. trading as DNF Controls on 1st April 2019 - a profitable US company focussed on Broadcast Control Systems which further broadens the Group's product and service offerings and customer base, as well as providing a physical base in the US to support US customers - this being the fastest growing country for sales and profit for the Group in the last 2-3 years.

Furthermore, this also broadens the Group's R&D capabilities leaving it well-placed to stay on top of and indeed lead and influence technological developments in its core industries.

Principal risks and uncertainties

The state of the broadcast industry has been shown in the past to depend on the confidence of the world market place in general. Financial market disruption, wars, terrorist activity etc., can cause a major and sudden change in the confidence of the broadcasters to invest in new facilities. This is the major risk against the continued growth of The TSL Group's business activities.

While the prospect of 'Brexit' is an unwelcome one for the additional administration and logistical burdens it may place on some export sales to the EU, the business is well prepared for this eventuality and is well-positioned with its products to be able to maintain sales and margins despite likely longer lead-times for some EU countries. Tariffs are not expected to be a material issue for the Group's product range.

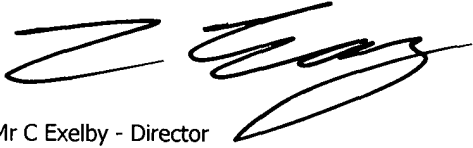
Key performance indicators

Given the straightforward nature of the business, the Group's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The individual trading subsidiary companies do operate to a number of their own KPIs and both financial and non-financial targets as part of their own growth strategies.

TELEVISION SYSTEMS HOLDINGS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'C Exelby', written in a cursive style.

Mr C Exelby - Director

12th March 2020

TELEVISION SYSTEMS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH JUNE 2019

The directors present their report with the financial statements of the company and the group for the year ended 30th June 2019.

DIVIDENDS

No dividends will be distributed for the year ended 30th June 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2018 to the date of this report.

Mr D M MacGregor
Mr J R Knight
Mr C Exelby
Mr B E MacGregor
Mr D J MacGregor
Advantage Business Partnerships Ltd

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Richardson Jones, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr C Exelby - Director

12th March 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TELEVISION SYSTEMS HOLDINGS LIMITED

Disclaimer of opinion

We were engaged to have audited the financial statements of Television Systems Holdings Limited (the 'parent company') for the year ended 30 June 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the group and the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

During the previous financial year, Administrators were appointed to the parent company's wholly owned subsidiary Television Systems Limited on 21 May 2018. This subsidiary in turn had its own wholly owned subsidiary TSL FZ LLC. Although the directors had access to an administrator's statement for Television Systems Limited and management accounts for TSL FZ LLC from which to prepare consolidated financial statements for the group, they no longer had any access to the underlying accounting data and therefore neither did we as auditors. Television Systems Limited maintained its accounting records on a cloud based system, the subscription to which was cancelled by the administrators and no backup was kept so these records have been lost.

As a result of this, we were unable to form an opinion on the accuracy of the accounts for those entities which are included within the comparative Consolidated Income Statement under the column Discontinued on page 9 of the financial statements.

These amounts are so significant to the comparative amounts in relation to the accounts as a whole that we have no alternative but to disclaim any opinion on these financial statements.

Conclusions relating to going concern

As we have identified an issue that is so pervasive that we are therefore unable to conclude on the financial statements as a whole, we are also unable to conclude on whether the use of the going concern basis of accounting is appropriate.

Other information

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion on the other information.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

Arising from the limitation of our work referred to above, in relation to the previous year:

- adequate accounting records have not been kept; and are we are unable to determine whether returns adequate for our audit have been received from branches not visited by us; and
- we were unable to determine whether the financial statements are in agreement with the accounting records and returns; and
- we were unable to determine whether certain disclosures of directors' remuneration specified by law have been made; and
- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TELEVISION SYSTEMS HOLDINGS LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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 '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 or to cease operations, or have no realistic alternative but to do so.

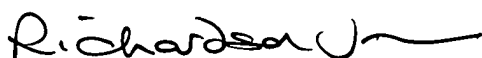
Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Report of the Auditors.

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 a Report of the Auditors 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.



Christopher Jones (Senior Statutory Auditor)
for and on behalf of Richardson Jones
Registered Auditors &
Chartered Accountants
Mercury House
19-21 Chapel Street
Marlow
Buckinghamshire
SL7 3HN

12th March 2020

TELEVISION SYSTEMS HOLDINGS LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

| | Notes | 30.6.19 Continuing £ | 30.6.19 Discontinued £ | 30.6.19 Total £ |
|---|-------|----------------------------|------------------------------|-----------------------|
| TURNOVER | 3 | 6,033,305 | - | 6,033,305 |
| Cost of sales | | <u>(1,961,161)</u> | <u>-</u> | <u>(1,961,161)</u> |
| GROSS PROFIT | | 4,072,144 | - | 4,072,144 |
| Administrative expenses | | <u>(3,674,546)</u> | <u>(29,806)</u> | <u>(3,704,352)</u> |
| OPERATING PROFIT/(LOSS) | 5 | 397,598 | (29,806) | 367,792 |
| Interest receivable and similar income | | 9 | - | 9 |
| Amounts written off investments | | <u>-</u> | <u>-</u> | <u>-</u> |
| PROFIT/(LOSS) BEFORE TAXATION | | 397,607 | (29,806) | 367,801 |
| Tax on profit/(loss) | 8 | <u>203,031</u> | <u>-</u> | <u>203,031</u> |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | <u>600,638</u> | <u>(29,806)</u> | <u>570,832</u> |
| Profit/(loss) attributable to: | | | | |
| Owners of the parent | | | | 554,503 |
| Non-controlling interests | | | | <u>16,329</u> |
| | | | | <u>570,832</u> |

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

| | Notes | 30.6.18 Continuing £ | 30.6.18 Discontinued £ | 30.6.18 Total £ |
|--|-------|----------------------------|------------------------------|-----------------------|
| TURNOVER | 3 | 4,930,115 | 7,713,251 | 12,643,366 |
| Cost of sales | | (1,720,557) | (7,280,484) | (9,001,041) |
| GROSS PROFIT | | 3,209,558 | 432,767 | 3,642,325 |
| Administrative expenses | | (4,816,827) | (1,168,142) | (5,984,969) |
| OPERATING LOSS | 5 | (1,607,269) | (735,375) | (2,342,644) |
| Loss on sale of operation | 6 | - | 155,495 | 155,495 |
| Loss on sale of investment | 6 | - | 100 | 100 |
| | | (1,607,269) | (579,780) | (2,187,049) |
| Interest receivable and similar income | | 1 | - | 1 |
| Amounts written off investments | | - | - | - |
| Interest payable and similar expenses | 7 | (1) | - | (1) |
| LOSS BEFORE TAXATION | | (1,607,269) | (579,780) | (2,187,049) |
| Tax on loss | 8 | 141,571 | - | 141,571 |
| LOSS FOR THE FINANCIAL YEAR | | (1,465,698) | (579,780) | (2,045,478) |
| Loss attributable to: | | | | |
| Owners of the parent | | | | (1,990,148) |
| Non-controlling interests | | | | (55,330) |
| | | | | (2,045,478) |

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED
CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019

| | Notes | 30.6.19 £ | 30.6.18 £ |
|---|-------|----------------|--------------------|
| PROFIT/(LOSS) FOR THE YEAR | | 570,832 | (2,045,478) |
| OTHER COMPREHENSIVE INCOME | | | |
| Foreign exchange on consolidation | | - | 4,058 |
| Income tax relating to other comprehensive income | | - | - |
| | | <hr/> | <hr/> |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | | - | 4,058 |
| | | <hr/> | <hr/> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>570,832</u> | <u>(2,041,420)</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 554,503 | (1,986,090) |
| Non-controlling interests | | 16,329 | (55,330) |
| | | <hr/> | <hr/> |
| | | <u>570,832</u> | <u>(2,041,420)</u> |

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED (REGISTERED NUMBER: 07700945)

**CONSOLIDATED BALANCE SHEET
30TH JUNE 2019**

| | Notes | 30.6.19 £ | £ | 30.6.18 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 10 | | 354,452 | | 40,303 |
| Tangible assets | 11 | | 136,645 | | 174,993 |
| Investments | 12 | | - | | - |
| | | | <u>491,097</u> | | <u>215,296</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 13 | 1,502,580 | | 1,679,318 | |
| Debtors | 14 | 1,489,299 | | 838,877 | |
| Cash at bank and in hand | | 1,060,797 | | 232,089 | |
| | | <u>4,052,676</u> | | <u>2,750,284</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | 1,264,082 | | 645,191 | |
| NET CURRENT ASSETS | | | <u>2,788,594</u> | | <u>2,105,093</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>3,279,691</u> | | <u>2,320,389</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 16 | | (388,470) | | - |
| NET ASSETS | | | <u><u>2,891,221</u></u> | | <u><u>2,320,389</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 18 | | 29,474 | | 29,474 |
| Retained earnings | 19 | | 2,728,704 | | 2,174,201 |
| SHAREHOLDERS' FUNDS | 22 | | <u>2,758,178</u> | | <u>2,203,675</u> |
| NON-CONTROLLING INTERESTS | 20 | | <u>133,043</u> | | <u>116,714</u> |
| TOTAL EQUITY | | | <u><u>2,891,221</u></u> | | <u><u>2,320,389</u></u> |

The financial statements were approved by the Board of Directors on 12th March 2020 and were signed on its behalf by:



Mr C Exelby - Director

TELEVISION SYSTEMS HOLDINGS LIMITED (REGISTERED NUMBER: 07700945)

**COMPANY BALANCE SHEET
30TH JUNE 2019**

| | Notes | 30.6.19 £ | £ | 30.6.18 £ | £ |
|--|-------|----------------|----------------|----------------|--------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 10 | | - | | - |
| Tangible assets | 11 | | - | | - |
| Investments | 12 | | 2,125 | | 9,875 |
| | | | <u>2,125</u> | | <u>9,875</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 490,827 | | 475,125 | |
| Cash at bank | | - | | 13,842 | |
| | | <u>490,827</u> | | <u>488,967</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | 17,686 | | 32,360 | |
| NET CURRENT ASSETS | | | <u>473,141</u> | | <u>456,607</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>475,266</u> | | <u>466,482</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 18 | | 29,474 | | 29,474 |
| Retained earnings | 19 | | 445,792 | | 437,008 |
| SHAREHOLDERS' FUNDS | 22 | | <u>475,266</u> | | <u>466,482</u> |
| Company's profit/(loss) for the financial year | | | <u>8,784</u> | | <u>(5,037,440)</u> |

The financial statements were approved by the Board of Directors on 12th March 2020 and were signed on its behalf by:



Mr C Exelby - Director

TELEVISION SYSTEMS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

| | Called up share capital £ | Retained earnings £ | Other reserves £ |
|----------------------------------|------------------------------------|--|-------------------------------|
| Balance at 1st July 2017 | 29,474 | (756,598) | 4,916,889 |
| Changes in equity | | | |
| Total comprehensive income | - | 2,930,799 | (4,916,889) |
| Balance at 30th June 2018 | 29,474 | 2,174,201 | - |
| Changes in equity | | | |
| Total comprehensive income | - | 554,503 | - |
| Balance at 30th June 2019 | 29,474 | 2,728,704 | - |
| | Total £ | Non-controlling interests £ | Total equity £ |
| Balance at 1st July 2017 | 4,189,765 | 172,044 | 4,361,809 |
| Changes in equity | | | |
| Total comprehensive income | (1,986,090) | (55,330) | (2,041,420) |
| Balance at 30th June 2018 | 2,203,675 | 116,714 | 2,320,389 |
| Changes in equity | | | |
| Total comprehensive income | 554,503 | 16,329 | 570,832 |
| Balance at 30th June 2019 | 2,758,178 | 133,043 | 2,891,221 |

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

| | Called up share capital £ | Retained earnings £ | Other reserves £ | Total equity £ |
|----------------------------------|------------------------------------|---------------------------|------------------------|----------------------|
| Balance at 1st July 2017 | 29,474 | 557,559 | 4,916,889 | 5,503,922 |
| Changes in equity | | | | |
| Total comprehensive income | - | (120,551) | (4,916,889) | (5,037,440) |
| Balance at 30th June 2018 | 29,474 | 437,008 | - | 466,482 |
| Changes in equity | | | | |
| Total comprehensive income | - | 8,784 | - | 8,784 |
| Balance at 30th June 2019 | 29,474 | 445,792 | - | 475,266 |

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

| | Notes | 30.6.19 £ | 30.6.18 £ |
|---|-------|-------------------------|-----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 1,189,897 | (1,790,540) |
| Interest paid | | - | (1) |
| Tax paid | | (3) | 285,470 |
| Net cash from operating activities | | <u>1,189,894</u> | <u>(1,505,071)</u> |
| Cash flows from investing activities | | | |
| Purchase of intangible fixed assets | | (350,277) | - |
| Purchase of tangible fixed assets | | (10,918) | (47,681) |
| Sale of tangible fixed assets | | - | 100,903 |
| Interest received | | 9 | 1 |
| Net cash from investing activities | | <u>(361,186)</u> | <u>53,223</u> |
| Cash flows from financing activities | | | |
| Exchange difference on consolidation | | - | 4,058 |
| Net cash from financing activities | | <u>-</u> | <u>4,058</u> |
| Increase/(decrease) in cash and cash equivalents | | <u>828,708</u> | <u>(1,447,790)</u> |
| Cash and cash equivalents at beginning of year | 2 | <u>232,089</u> | <u>1,679,879</u> |
| Cash and cash equivalents at end of year | 2 | <u><u>1,060,797</u></u> | <u><u>232,089</u></u> |

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 30.6.19 | 30.6.18 |
|--|------------------|--------------------|
| | £ | £ |
| Profit/(loss) before taxation | 367,801 | (2,187,049) |
| Depreciation charges | 85,394 | 644,810 |
| Finance costs | - | 1 |
| Finance income | (9) | (1) |
| | <hr/> | <hr/> |
| | 453,186 | (1,542,239) |
| Decrease/(increase) in stocks | 176,738 | (217,188) |
| (Increase)/decrease in trade and other debtors | (447,388) | 1,627,356 |
| Increase/(decrease) in trade and other creditors | 1,007,361 | (1,658,469) |
| | <hr/> | <hr/> |
| Cash generated from operations | <u>1,189,897</u> | <u>(1,790,540)</u> |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30th June 2019

| | 30.6.19 | 1.7.18 |
|---------------------------|------------------|----------------|
| | £ | £ |
| Cash and cash equivalents | <u>1,060,797</u> | <u>232,089</u> |

Year ended 30th June 2018

| | 30.6.18 | 1.7.17 |
|---------------------------|----------------|------------------|
| | £ | £ |
| Cash and cash equivalents | <u>232,089</u> | <u>1,679,879</u> |

TELEVISION SYSTEMS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

1. STATUTORY INFORMATION

Television Systems Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the invoiced amount of broadcasting equipment and services provided, net of value added tax, together with adjustments made in relation to long term contracts in accordance with FRS 102.

In respect of long term contracts and contracts for ongoing services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for ongoing services is recognised by reference to the stage of completion.

Where the outcome of the project cannot be forecast with reasonable certainty, all income is deferred. For the business, the directors consider that if work done on a project is not invoiced based on "milestones" within the project agreed with the client, only once a project is at least 70% complete can the outcome be foreseen with reasonable certainty. For projects where such milestones have been agreed, turnover is recognised based on when these agreed "milestones" have been met.

Goodwill

Goodwill arising on consolidation of £349,817 in connection with the acquisition of a businesses in 2019 is being written off over 5 years from 1st April 2019. Goodwill acquired in 2015 is also being written off over 5 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------|-------------------------------|
| Website development | - 25% on cost |
| Improvements to property | - 10% on cost |
| Plant and machinery | - 25% on cost and 20% on cost |
| Fixtures and fittings | - 20% on cost |
| Computer equipment | - 20% on cost |

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items, together with adjustments made in relation to long term contracts in accordance with FRS 102. For long term contracts less than 70% complete, all costs are deferred. For long term contracts 70% or more complete, a proportion of the profit on each contract is included in gross profit for the year that reflects its degree of completion.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

2. ACCOUNTING POLICIES - continued

The group operates a money purchase pension scheme for the directors. The assets of the scheme are held separately from those of the group in a small self-administered fund. Contributions payable for the year are charged in the profit and loss account.

The group also contributes to personal pension schemes for members of staff. Such contributions are deducted from the gross salary of those individuals.

3. TURNOVER

The turnover and profit (2018 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

| | 30.6.19 | 30.6.18 |
|----------------|------------------|-------------------|
| | £ | £ |
| United Kingdom | 1,309,762 | 7,460,535 |
| Rest of Europe | 1,152,983 | 1,201,525 |
| Rest of World | 3,570,560 | 3,981,306 |
| | <u>6,033,305</u> | <u>12,643,366</u> |

4. EMPLOYEES AND DIRECTORS

| | 30.6.19 | 30.6.18 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,705,388 | 1,749,408 |
| Social security costs | 211,582 | 244,818 |
| Other pension costs | 40,840 | 48,305 |
| | <u>1,957,810</u> | <u>2,042,531</u> |

The average number of employees during the year was as follows:

| | 30.6.19 | 30.6.18 |
|-----------|-----------|-----------|
| Directors | 3 | 13 |
| Staff | 39 | 81 |
| | <u>42</u> | <u>94</u> |

| | 30.6.19 | 30.6.18 |
|--|----------------|----------------|
| | £ | £ |
| Directors' remuneration | 314,743 | 324,075 |
| Directors' pension contributions to money purchase schemes | 8,120 | 14,237 |
| | <u>322,863</u> | <u>338,312</u> |

Information regarding the highest paid director is as follows:

| | 30.6.19 | 30.6.18 |
|---|----------------|----------------|
| | £ | £ |
| Emoluments etc | 204,107 | 177,699 |
| Pension contributions to money purchase schemes | 5,455 | 12,040 |
| | <u>209,562</u> | <u>189,739</u> |

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

5. OPERATING PROFIT/(LOSS)

The operating profit (2018 - operating loss) is stated after charging:

| | 30.6.19 | 30.6.18 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 49,266 | 50,435 |
| Goodwill amortisation | 36,093 | 594,375 |
| Patents and licences amortisation | 35 | - |
| Auditors' remuneration | 20,786 | 22,925 |
| | <u>20,786</u> | <u>22,925</u> |

6. EXCEPTIONAL ITEMS

| | 30.6.19 | 30.6.18 |
|--------------------------------|----------|----------------|
| | £ | £ |
| Waiver of connected party loan | - | (160,802) |
| Loss on sale of operation | - | 155,495 |
| Loss on sale of investment | - | 100 |
| | <u>-</u> | <u>(5,207)</u> |

7. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 30.6.19 | 30.6.18 |
|------------------|----------|----------|
| | £ | £ |
| Interest payable | - | 1 |
| | <u>-</u> | <u>1</u> |

8. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

| | 30.6.19 | 30.6.18 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | - | 1,166 |
| Tax overpaid in previous years | (203,031) | (142,737) |
| | <u>(203,031)</u> | <u>(142,737)</u> |
| Tax on profit/(loss) | <u>(203,031)</u> | <u>(141,571)</u> |

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

8. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 30.6.19 £ | 30.6.18 £ |
|--|------------------|--------------------|
| Profit/(loss) before tax | <u>367,801</u> | <u>(2,187,049)</u> |
| Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%) | 69,882 | (415,539) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 23 | 981,228 |
| Income not taxable for tax purposes | - | (37,437) |
| Depreciation in excess of capital allowances | - | 118 |
| Utilisation of tax losses | (32,740) | - |
| Adjustments to tax charge in respect of previous periods | (203,031) | (140,169) |
| Amortisation in excess of capital allowances | 7,560 | 109,396 |
| Losses carried forward | 105 | 104,885 |
| Difference in tax rates | - | (1,402) |
| Consolidation adjustments not affecting tax charge | (44,830) | (883,265) |
| Losses carried back | - | 44 |
| Losses unavailable to carry forward | - | 140,570 |
| Total tax credit | <u>(203,031)</u> | <u>(141,571)</u> |

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 30th June 2019.

| | Gross £ | 30.6.18 Tax £ | Net £ |
|-----------------------------------|--------------|---------------------|--------------|
| Foreign exchange on consolidation | <u>4,058</u> | <u>-</u> | <u>4,058</u> |

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

10. INTANGIBLE FIXED ASSETS

Group

| | Goodwill £ | Patents and licences £ | Totals £ |
|-----------------------|---------------|---------------------------------|-------------|
| COST | | | |
| At 1st July 2018 | 3,456,009 | - | 3,456,009 |
| Additions | 349,818 | 459 | 350,277 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2019 | 3,805,827 | 459 | 3,806,286 |
| AMORTISATION | | | |
| At 1st July 2018 | 3,415,706 | - | 3,415,706 |
| Amortisation for year | 36,093 | 35 | 36,128 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2019 | 3,451,799 | 35 | 3,451,834 |
| NET BOOK VALUE | | | |
| At 30th June 2019 | 354,028 | 424 | 354,452 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2018 | 40,303 | - | 40,303 |
| | <hr/> | <hr/> | <hr/> |

11. TANGIBLE FIXED ASSETS

Group

| | Website development £ | Improvements to property £ | Plant and machinery £ |
|-----------------------|-----------------------------|-------------------------------------|-----------------------------|
| COST | | | |
| At 1st July 2018 | 13,120 | 113,760 | 4,674 |
| Additions | - | - | 1,917 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2019 | 13,120 | 113,760 | 6,591 |
| DEPRECIATION | | | |
| At 1st July 2018 | 3,280 | 60,946 | 597 |
| Charge for year | 3,280 | 11,376 | 1,380 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2019 | 6,560 | 72,322 | 1,977 |
| NET BOOK VALUE | | | |
| At 30th June 2019 | 6,560 | 41,438 | 4,614 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2018 | 9,840 | 52,814 | 4,077 |
| | <hr/> | <hr/> | <hr/> |

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

11. TANGIBLE FIXED ASSETS - continued

Group

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------|----------------------------------|----------------------------|-------------|
| COST | | | |
| At 1st July 2018 | 9,914 | 195,065 | 336,533 |
| Additions | - | 9,001 | 10,918 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2019 | 9,914 | 204,066 | 347,451 |
| | <hr/> | <hr/> | <hr/> |
| DEPRECIATION | | | |
| At 1st July 2018 | 5,995 | 90,722 | 161,540 |
| Charge for year | 1,115 | 32,115 | 49,266 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2019 | 7,110 | 122,837 | 210,806 |
| | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | |
| At 30th June 2019 | 2,804 | 81,229 | 136,645 |
| | <hr/> | <hr/> | <hr/> |
| At 30th June 2018 | 3,919 | 104,343 | 174,993 |
| | <hr/> | <hr/> | <hr/> |

12. FIXED ASSET INVESTMENTS

Company

| | Shares in group undertakings £ |
|--|---|
| COST | |
| At 1st July 2018 and 30th June 2019 | 54,111 |
| | <hr/> |
| PROVISIONS | |
| At 1st July 2018 | 44,236 |
| Provision for year | 7,750 |
| | <hr/> |
| At 30th June 2019 | 51,986 |
| | <hr/> |
| NET BOOK VALUE | |
| At 30th June 2019 | 2,125 |
| | <hr/> |
| At 30th June 2018 | 9,875 |
| | <hr/> |

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

12. FIXED ASSET INVESTMENTS - continued

TSL Professional Products Limited

Registered office:

Nature of business: Manufacture and supply of broadcast equipment.

| | % |
|------------------|---------|
| Class of shares: | holding |
| Ordinary | 95.00 |
| A | 78.33 |

| | | |
|--------------------------------|-----------|-------------|
| | 30.6.19 | 30.6.18 |
| | £ | £ |
| Aggregate capital and reserves | 2,663,347 | 2,336,773 |
| Profit/(loss) for the year | 326,574 | (1,106,603) |

Television Systems Pte.Ltd

Registered office:

Nature of business: Design and manufacture audio equipment

| | % |
|------------------|---------|
| Class of shares: | holding |
| Ordinary | 100.00 |

| | | |
|--------------------------------|----------|---------|
| | 30.6.19 | 30.6.18 |
| | £ | £ |
| Aggregate capital and reserves | - | 29,806 |
| Loss for the year | (29,806) | (9,827) |

The company ceased trading on 31st December 2018.

13. STOCKS

| | Group | |
|------------------|------------------|------------------|
| | 30.6.19 | 30.6.18 |
| | £ | £ |
| Stocks | 125,700 | 288,628 |
| Work-in-progress | 1,249 | - |
| Finished goods | 1,375,631 | 1,390,690 |
| | <u>1,502,580</u> | <u>1,679,318</u> |

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|------------------------------------|------------------|----------------|----------------|----------------|
| | 30.6.19 | 30.6.18 | 30.6.19 | 30.6.18 |
| | £ | £ | £ | £ |
| Trade debtors | 969,705 | 513,173 | - | - |
| Amounts owed by group undertakings | - | - | 427,055 | 407,806 |
| Other debtors | 16,363 | 88,346 | - | - |
| Directors' loan accounts | 50,250 | 50,250 | 50,250 | 50,250 |
| Tax | 203,191 | 157 | - | - |
| VAT | 42,244 | 60,820 | 13,048 | 16,595 |
| Called up share capital not paid | 474 | 474 | 474 | 474 |
| Prepayments and accrued income | 207,072 | 125,657 | - | - |
| | <u>1,489,299</u> | <u>838,877</u> | <u>490,827</u> | <u>475,125</u> |

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|--|------------------|----------------|----------------|---------------|
| | 30.6.19 | 30.6.18 | 30.6.19 | 30.6.18 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | - | - | 2,749 | - |
| Trade creditors | 400,065 | 346,997 | 14,832 | 32,255 |
| Amounts owed to group undertakings | - | - | 1 | - |
| Corporation tax | 104 | 104 | 104 | 104 |
| Social security and other taxes | 57,314 | 41,117 | - | 1 |
| Amount due re. to acquire a subsidiary | 194,235 | - | - | - |
| Other creditors | 468,352 | 184,982 | - | - |
| Accrued expenses | 144,012 | 71,991 | - | - |
| | <u>1,264,082</u> | <u>645,191</u> | <u>17,686</u> | <u>32,360</u> |

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | |
|-------------------------------|----------------|----------|
| | 30.6.19 | 30.6.18 |
| | £ | £ |
| Amounts due re. to acq a subs | <u>388,470</u> | <u>-</u> |

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| Group | | Non-cancellable operating leases | |
|----------------------------|--|---|---------------|
| | | 30.6.19 | 30.6.18 |
| | | £ | £ |
| Between one and five years | | <u>71,403</u> | <u>71,403</u> |

18. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | 30.6.19 | 30.6.18 |
|----------------------------------|---------|----------------|---------------|---------------|
| Number: | Class: | Nominal value: | £ | £ |
| 10,000 | Founder | £1 | 10,000 | 10,000 |
| 9,500 | A | £1 | 9,500 | 9,500 |
| 9,974 | B | £1 | 9,974 | 9,974 |
| | | | <u>29,474</u> | <u>29,474</u> |

19. RESERVES

| Group | | Retained earnings | |
|---------------------|--|--------------------------|------------------|
| | | £ | |
| At 1st July 2018 | | | 2,174,201 |
| Profit for the year | | | <u>554,503</u> |
| At 30th June 2019 | | | <u>2,728,704</u> |

TELEVISION SYSTEMS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2019**

19. RESERVES - continued

Company

| | Retained earnings £ |
|---------------------|---------------------------|
| At 1st July 2018 | 437,008 |
| Profit for the year | 8,784 |
| | <u>445,792</u> |
| At 30th June 2019 | <u>445,792</u> |

20. NON-CONTROLLING INTERESTS

| | |
|----------------------|----------|
| As at 1 July 2018 | £116,714 |
| Movement in the year | £16,329 |
| As at 30 June 2019 | £133,043 |

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During 2012, the company made a loan of £50,250 to C Exelby, a director of group company TSL Professional Products Limited. The loan remained outstanding at 30 June 2019.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

| | 30.6.19 £ | 30.6.18 £ |
|--|------------------|--------------------|
| Profit/(loss) for the financial year | 554,503 | (1,990,148) |
| Other comprehensive income relating to the year (net) | - | 4,058 |
| | <u>554,503</u> | <u>(1,986,090)</u> |
| Net addition/(reduction) to shareholders' funds | | |
| Opening shareholders' funds | 2,203,675 | 4,189,765 |
| | <u>2,758,178</u> | <u>2,203,675</u> |
| Closing shareholders' funds | | |

Company

| | 30.6.19 £ | 30.6.18 £ |
|--|----------------|--------------------|
| Profit/(loss) for the financial year | 8,784 | (5,037,440) |
| | <u>8,784</u> | <u>(5,037,440)</u> |
| Net addition/(reduction) to shareholders' funds | | |
| Opening shareholders' funds | 466,482 | 5,503,922 |
| | <u>475,266</u> | <u>466,482</u> |
| Closing shareholders' funds | | |