

REGISTERED NUMBER: 07700945 (England and Wales)

AMENDED

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018
FOR
TELEVISION SYSTEMS HOLDINGS LIMITED**



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018**

	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 2018**

DIRECTORS:

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

SECRETARY:

Mr J R Knight

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 (REGISTERED NUMBER: 07700945)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

The directors present their strategic report of the company and the group for the year ended 30th June 2018.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

REVIEW OF BUSINESS

The results for the group show a pre-tax loss of £2,187,049 (2017: Profit £12,429) for the period. The group has net assets of £2,320,389 (2017: £4,361,809) at the balance sheet date.

During the year, 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.

At the time of writing the Group's Professional Products arm has experienced a record revenue quarter, building a strong cash position and has completed the acquisition of Universal Control Solutions Corp. trading as DNF Controls - 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.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

ON BEHALF OF THE BOARD:

ABP

.....
Advantage Business Partnerships Ltd - Director

Date: 11/6/19

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2018**

The directors present their report with the financial statements of the company and the group for the year ended 30th June 2018.

DIVIDENDS

No dividends will be distributed for the year ended 30th June 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2017 to the date of this report.

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

Other changes in directors holding office are as follows:

Mr B E MacGregor - appointed 17th November 2017
Mr I R Henderson - resigned 31st December 2017
Mr J Rees - appointed 1st August 2017

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:



.....
Advantage Business Partnerships Ltd - Director

Date: 11/6/19

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 2018 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

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 Consolidated Income Statement under the column Discontinued on page 6 of the financial statements.

These amounts are so significant 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.

Opinion 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:

- adequate accounting records have not been kept; and 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.

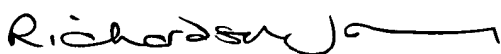
Auditors' responsibilities for the audit of the financial statements

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

11 June 2019

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

	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
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)

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

	Notes	30.6.17 Continuing £	30.6.17 Discontinued £	30.6.17 Total £
TURNOVER	3	15,597,738	-	15,597,738
Cost of sales		(10,091,683)	-	(10,091,683)
GROSS PROFIT		5,506,055	-	5,506,055
Administrative expenses		(5,495,097)	-	(5,495,097)
OPERATING PROFIT	5	10,958	-	10,958
Interest receivable and similar income		1,476	-	1,476
Interest payable and similar expenses	7	(5)	-	(5)
PROFIT BEFORE TAXATION		12,429	-	12,429
Tax on profit	8	144,189	-	144,189
PROFIT FOR THE FINANCIAL YEAR		156,618	-	156,618
Profit attributable to:				
Owners of the parent				201,895
Non-controlling interests				(45,277)
				156,618

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED (REGISTERED NUMBER: 07700945)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2018**

Notes	30.6.18 £	30.6.17 £
(LOSS)/PROFIT FOR THE YEAR	(2,045,478)	156,618
OTHER COMPREHENSIVE INCOME		
Foreign exchange on consolidation	4,058	(5,514)
Income tax relating to other comprehensive income	-	-
	<u>4,058</u>	<u>(5,514)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		
	<u>4,058</u>	<u>(5,514)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(2,041,420)</u>	<u>151,104</u>
Total comprehensive income attributable to:		
Owners of the parent	(1,986,090)	196,381
Non-controlling interests	<u>(55,330)</u>	<u>(45,277)</u>
	<u>(2,041,420)</u>	<u>151,104</u>

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED (REGISTERED NUMBER: 07700945)

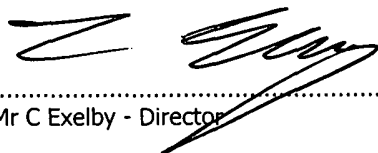
**CONSOLIDATED BALANCE SHEET
30TH JUNE 2018**

	Notes	30.6.18 £	30.6.17 £
FIXED ASSETS			
Intangible assets	10	40,303	634,678
Tangible assets	11	174,993	278,650
Investments	12	-	-
		<u>215,296</u>	<u>913,328</u>
CURRENT ASSETS			
Stocks	13	1,679,318	1,462,130
Debtors	14	838,877	2,610,635
Cash at bank and in hand		232,089	1,679,879
		<u>2,750,284</u>	<u>5,752,644</u>
CREDITORS			
Amounts falling due within one year	15	(645,191)	(2,304,163)
NET CURRENT ASSETS		<u>2,105,093</u>	<u>3,448,481</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,320,389</u>	<u>4,361,809</u>
NET ASSETS		<u>2,320,389</u>	<u>4,361,809</u>
CAPITAL AND RESERVES			
Called up share capital	17	29,474	29,474
Other reserves	18	-	4,916,889
Retained earnings	18	2,174,201	(756,598)
SHAREHOLDERS' FUNDS	21	<u>2,203,675</u>	<u>4,189,765</u>
NON-CONTROLLING INTERESTS	19	<u>116,714</u>	<u>172,044</u>
TOTAL EQUITY		<u>2,320,389</u>	<u>4,361,809</u>

The financial statements were approved by the Board of Directors on 11 JUNE 2019 and were signed on its behalf by:



.....
Advantage Business Partnerships Ltd - Director



.....
Mr C Exelby - Director

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED (REGISTERED NUMBER: 07700945)

**COMPANY BALANCE SHEET
30TH JUNE 2018**

	Notes	30.6.18 £	30.6.17 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	-	-
Investments	12	9,875	5,000,000
		<u>9,875</u>	<u>5,000,000</u>
CURRENT ASSETS			
Debtors	14	475,125	705,097
Cash at bank		13,842	-
		<u>488,967</u>	<u>705,097</u>
CREDITORS			
Amounts falling due within one year	15	(32,360)	(201,175)
NET CURRENT ASSETS		<u>456,607</u>	<u>503,922</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>466,482</u>	<u>5,503,922</u>
CAPITAL AND RESERVES			
Called up share capital	17	29,474	29,474
Other reserves	18	-	4,916,889
Retained earnings	18	437,008	557,559
SHAREHOLDERS' FUNDS	21	<u>466,482</u>	<u>5,503,922</u>
Company's loss for the financial year		<u>(5,037,440)</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 11th June 2019 and were signed on its behalf by:



Advantage Business Partnerships Ltd - Director



Mr C Exelby - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018**

	Called up share capital £	Retained earnings £	Other reserves £
Balance at 1st July 2016	29,474	(952,979)	4,916,889
Changes in equity			
Total comprehensive income	-	196,381	-
Balance at 30th June 2017	<u>29,474</u>	<u>(756,598)</u>	<u>4,916,889</u>
Changes in equity			
Total comprehensive income	-	2,930,799	(4,916,889)
Balance at 30th June 2018	<u>29,474</u>	<u>2,174,201</u>	<u>-</u>
	Total £	Non-controlling interests £	Total equity £
Balance at 1st July 2016	3,993,384	217,321	4,210,705
Changes in equity			
Total comprehensive income	196,381	(45,277)	151,104
Balance at 30th June 2017	<u>4,189,765</u>	<u>172,044</u>	<u>4,361,809</u>
Changes in equity			
Total comprehensive income	(1,986,090)	(55,330)	(2,041,420)
Balance at 30th June 2018	<u>2,203,675</u>	<u>116,714</u>	<u>2,320,389</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1st July 2016	29,474	557,559	4,916,889	5,503,922
Changes in equity				
Balance at 30th June 2017	<u>29,474</u>	<u>557,559</u>	<u>4,916,889</u>	<u>5,503,922</u>
Changes in equity				
Total comprehensive income	-	(120,551)	(4,916,889)	(5,037,440)
Balance at 30th June 2018	<u>29,474</u>	<u>437,008</u>	<u>-</u>	<u>466,482</u>

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018

	Notes	30.6.18 £	30.6.17 £
Cash flows from operating activities			
Cash generated from operations	1	(1,790,540)	(430,047)
Interest paid		(1)	(5)
Tax paid		285,470	526,502
Net cash from operating activities		<u>(1,505,071)</u>	<u>96,450</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(47,681)	(136,967)
Sale of tangible fixed assets		100,903	-
Sale of fixed asset investments		-	599,451
Interest received		1	1,476
Net cash from investing activities		<u>53,223</u>	<u>463,960</u>
Cash flows from financing activities			
Exchange difference on consolidation		4,058	(5,514)
Net cash from financing activities		<u>4,058</u>	<u>(5,514)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,447,790)</u>	<u>554,896</u>
Cash and cash equivalents at beginning of year	2	1,679,879	1,124,983
Cash and cash equivalents at end of year	2	<u><u>232,089</u></u>	<u><u>1,679,879</u></u>

The notes form part of these financial statements

TELEVISION SYSTEMS HOLDINGS LIMITED (REGISTERED NUMBER: 07700945)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

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

	30.6.18	30.6.17
	£	£
(Loss)/profit before taxation	(2,187,049)	12,429
Depreciation charges	644,810	366,803
Profit on disposal of fixed assets	-	(599,451)
Finance costs	1	5
Finance income	(1)	(1,476)
	<u>(1,542,239)</u>	<u>(221,690)</u>
(Increase)/decrease in stocks	(217,188)	669,799
Decrease/(increase) in trade and other debtors	1,627,356	(505,361)
Decrease in trade and other creditors	<u>(1,658,469)</u>	<u>(372,795)</u>
Cash generated from operations	<u><u>(1,790,540)</u></u>	<u><u>(430,047)</u></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 2018

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

Year ended 30th June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	<u>1,679,879</u>	<u>1,124,983</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018**

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 £3,182,008 in connection with the acquisition of businesses in 2011 has now been fully written off. Goodwill recognised in the financial statements of TSL Professional Products Limited of £3,363,000 in connection with the acquisition of its business in 2011 has now been fully written off. Goodwill acquired in 2015 is 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.

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
Motor vehicles	- 25% 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018**

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 loss (2017 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	30.6.18	30.6.17
	£	£
United Kingdom	7,460,535	5,389,910
Rest of Europe	1,201,525	1,217,548
Rest of World	3,981,306	8,990,280
	<u>12,643,366</u>	<u>15,597,738</u>

4. EMPLOYEES AND DIRECTORS

	30.6.18	30.6.17
	£	£
Wages and salaries	1,749,408	2,310,761
Social security costs	244,818	283,154
Other pension costs	48,305	40,968
	<u>2,042,531</u>	<u>2,634,883</u>

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

	30.6.18	30.6.17
Directors	13	13
Staff	81	58
	<u>94</u>	<u>71</u>

	30.6.18	30.6.17
	£	£
Directors' remuneration	324,075	537,395
Directors' pension contributions to money purchase schemes	<u>14,237</u>	<u>11,352</u>

Information regarding the highest paid director is as follows:

	30.6.18	30.6.17
	£	£
Emoluments etc	177,699	201,717
Pension contributions to money purchase schemes	<u>12,040</u>	<u>283</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018

5. OPERATING (LOSS)/PROFIT

The operating loss (2017 - operating profit) is stated after charging/(crediting):

	30.6.18	30.6.17
	£	£
Depreciation - owned assets	50,435	60,315
Profit on disposal of fixed assets	-	(599,451)
Goodwill amortisation	594,375	306,488
Auditors' remuneration	22,925	22,864
	<u> </u>	<u> </u>

6. EXCEPTIONAL ITEMS

	30.6.18	30.6.17
	£	£
Waiver of connected party loan	(160,802)	(1,004)
Loss on sale of operation	155,495	-
Loss on sale of investment	100	-
	<u> </u>	<u> </u>
	(5,207)	(1,004)
	<u> </u>	<u> </u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.18	30.6.17
	£	£
Interest payable	1	5
	<u> </u>	<u> </u>

8. TAXATION**Analysis of the tax credit**

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

	30.6.18	30.6.17
	£	£
Current tax:		
UK corporation tax	1,166	503
Tax overpaid in previous years	(142,737)	(144,692)
	<u> </u>	<u> </u>
Tax on (loss)/profit	(141,571)	(144,189)
	<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018

8. TAXATION - continued**Reconciliation of total tax credit included in profit and loss**

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

	30.6.18 £	30.6.17 £
(Loss)/profit before tax	<u>(2,187,049)</u>	<u>12,429</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.750%)	(415,539)	2,455
Effects of:		
Expenses not deductible for tax purposes	981,228	92,355
Income not taxable for tax purposes	(37,437)	-
Capital allowances in excess of depreciation	-	(18,469)
Depreciation in excess of capital allowances	118	-
Adjustments to tax charge in respect of previous periods	(140,169)	(144,692)
Amortisation in excess of capital allowances	109,396	56,857
Losses carried forward	104,885	71,892
Difference in tax rates	(1,402)	-
Consolidation adjustments not affecting tax charge	(883,265)	(204,587)
Losses carried back	44	-
Losses unavailable to carry forward	<u>140,570</u>	<u>-</u>
Total tax credit	<u>(141,571)</u>	<u>(144,189)</u>

Tax effects relating to effects of other comprehensive income

	30.6.18	30.6.17
	Gross £	Tax £
Foreign exchange on consolidation	<u>4,058</u>	<u>-</u>
	Gross £	Tax £
Foreign exchange on consolidation	<u>(5,514)</u>	<u>-</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018

10. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £
COST	
At 1st July 2017	4,931,597
Disposals	(1,475,588)
At 30th June 2018	<u>3,456,009</u>
AMORTISATION	
At 1st July 2017	4,296,919
Amortisation for year	594,375
Eliminated on disposal	(1,475,588)
At 30th June 2018	<u>3,415,706</u>
NET BOOK VALUE	
At 30th June 2018	<u>40,303</u>
At 30th June 2017	<u>634,678</u>

11. TANGIBLE FIXED ASSETS**Group**

	Website development £	Improvements to property £	Plant and machinery £
COST			
At 1st July 2017	13,120	217,230	171,801
Additions	-	(1)	4,674
Disposals	-	(103,469)	(171,801)
At 30th June 2018	<u>13,120</u>	<u>113,760</u>	<u>4,674</u>
DEPRECIATION			
At 1st July 2017	-	113,354	147,316
Charge for year	3,280	11,376	597
Eliminated on disposal	-	(63,784)	(147,316)
At 30th June 2018	<u>3,280</u>	<u>60,946</u>	<u>597</u>
NET BOOK VALUE			
At 30th June 2018	<u>9,840</u>	<u>52,814</u>	<u>4,077</u>
At 30th June 2017	<u>13,120</u>	<u>103,876</u>	<u>24,485</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018

11. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st July 2017	26,161	3,463	381,415	813,190
Additions	3,083	-	39,925	47,681
Disposals	(19,330)	(3,463)	(226,275)	(524,338)
At 30th June 2018	9,914	-	195,065	336,533
DEPRECIATION				
At 1st July 2017	23,533	3,463	246,874	534,540
Charge for year	1,792	-	33,390	50,435
Eliminated on disposal	(19,330)	(3,463)	(189,542)	(423,435)
At 30th June 2018	5,995	-	90,722	161,540
NET BOOK VALUE				
At 30th June 2018	3,919	-	104,343	174,993
At 30th June 2017	2,628	-	134,541	278,650

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st July 2017	9,991,611
Disposals	(9,937,500)
At 30th June 2018	54,111
PROVISIONS	
At 1st July 2017	4,991,611
Provision for year	44,236
Eliminated on disposal	(4,991,611)
At 30th June 2018	44,236
NET BOOK VALUE	
At 30th June 2018	9,875
At 30th June 2017	5,000,000

TELEVISION SYSTEMS HOLDINGS LIMITED (REGISTERED NUMBER: 07700945)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018**

12. FIXED ASSET INVESTMENTS - continued

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

Subsidiaries

Television Systems Limited

Registered office:

Nature of business: Broadcasting equipment and facilities.

	%		
Class of shares:	holding		
Ordinary	100.00		
		30.6.18	30.6.17
		£	£
Aggregate capital and reserves		-	542,807
Profit for the year		-	81,221
		<u> </u>	<u> </u>

Administrators were appointed to Television Systems Limited on 21st May 2018.

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		
		30.6.18	30.6.17
		£	£
Aggregate capital and reserves		2,336,773	3,443,376
Loss for the year		(1,106,603)	(905,546)
		<u> </u>	<u> </u>

Television Systems Pte.Ltd

Registered office:

Nature of business: Design and manufacture audio equipment

	%		
Class of shares:	holding		
Ordinary	100.00		
		30.6.18	30.6.17
		£	£
Aggregate capital and reserves		29,806	39,633
Loss for the year		(9,827)	(7,099)
		<u> </u>	<u> </u>

13. STOCKS

	Group	
	30.6.18	30.6.17
	£	£
Stocks	288,628	94,623
Work-in-progress	-	360,039
Finished goods	1,390,690	1,007,468
	<u> </u>	<u> </u>
	1,679,318	1,462,130
	<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.18	30.6.17	30.6.18	30.6.17
	£	£	£	£
Trade debtors	513,173	1,914,805	-	-
Amounts owed by group undertakings	-	-	407,806	645,109
Other debtors	88,346	277,249	-	-
Directors' loan accounts	50,250	50,250	50,250	50,250
Tax	157	-	-	-
Corporation tax recoverable	-	144,559	-	-
VAT	60,820	-	16,595	9,264
Called up share capital not paid	474	474	474	474
Prepayments and accrued income	125,657	223,298	-	-
	<u>838,877</u>	<u>2,610,635</u>	<u>475,125</u>	<u>705,097</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.18	30.6.17	30.6.18	30.6.17
	£	£	£	£
Bank loans and overdrafts	-	-	-	31,844
Trade creditors	346,997	666,692	32,255	20,139
Amounts owed to group undertakings	-	-	-	149,088
Corporation tax	104	607	104	104
Social security and other taxes	41,117	81,283	1	-
VAT	-	136,984	-	-
Other creditors	184,982	77,669	-	-
Accrued expenses	71,991	120,432	-	-
Deferred income	-	1,220,496	-	-
	<u>645,191</u>	<u>2,304,163</u>	<u>32,360</u>	<u>201,175</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.6.18	30.6.17
	£	£
Within one year	-	55,115
Between one and five years	71,403	42,192
	<u>71,403</u>	<u>97,307</u>

TELEVISION SYSTEMS HOLDINGS LIMITED (REGISTERED NUMBER: 07700945)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.6.18	30.6.17
Number:	Class:		£	£
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>

18. RESERVES

Group

	Retained earnings £	Other reserves £	Totals £
At 1st July 2017	(756,598)	4,916,889	4,160,291
Deficit for the year	(1,990,148)		(1,990,148)
Transfer from merger relief reserve to profit and loss account	4,916,889	(4,916,889)	-
Exchange differences	4,058	-	4,058
At 30th June 2018	<u>2,174,201</u>	<u>-</u>	<u>2,174,201</u>

Company

	Retained earnings £	Other reserves £	Totals £
At 1st July 2017	557,559	4,916,889	5,474,448
Deficit for the year	(5,037,440)		(5,037,440)
Transfer from merger relief reserve to profit and loss account	4,916,889	(4,916,889)	-
At 30th June 2018	<u>437,008</u>	<u>-</u>	<u>437,008</u>

19. NON-CONTROLLING INTERESTS

As at 1 July 2017	£172,044
Movement in the year	(£55,330)
As at 30 June 2018	£116,714

20. 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 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2018

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Group**

	30.6.18 £	30.6.17 £
(Loss)/profit for the financial year	(1,990,148)	201,895
Other comprehensive income relating to the year (net)	4,058	(5,514)
Net (reduction)/addition to shareholders' funds	<u>(1,986,090)</u>	<u>196,381</u>
Opening shareholders' funds	4,189,765	3,993,384
Closing shareholders' funds	<u><u>2,203,675</u></u>	<u><u>4,189,765</u></u>

Company

	30.6.18 £	30.6.17 £
Loss for the financial year	(5,037,440)	-
Net (reduction)/addition to shareholders' funds	<u>(5,037,440)</u>	<u>-</u>
Opening shareholders' funds	5,503,922	5,503,922
Closing shareholders' funds	<u><u>466,482</u></u>	<u><u>5,503,922</u></u>