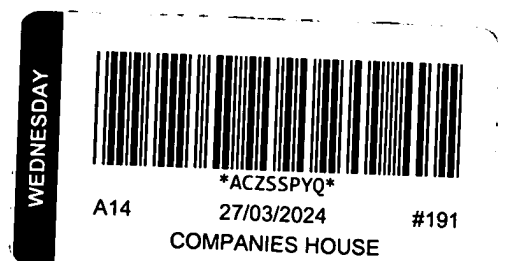


Registered Number: 09489484

# **THAT'S MEDIA LIMITED**

## **ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**



**THAT'S MEDIA LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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**THAT'S MEDIA LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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<b>DIRECTORS:</b>	Edward Douglas Simons Daniel Cass Kent Leslie Walwin
<b>SECRETARY:</b>	Susan Phillips
<b>REGISTERED OFFICE AND COMPANY HEAD OFFICE:</b>	27 Modwen Road Waters Edge Business Park Salford Greater Manchester M5 3EZ, UK
<b>REGISTERED NUMBER:</b>	09489484 (England and Wales)
<b>INDEPENDENT AUDITORS:</b>	MAH, Chartered Accountants 154 Bishopsgate London EC2M 4LN, UK
<b>COMPANY WEBSITE:</b>	<a href="http://www.thats.tv">www.thats.tv</a>

**CAUTIONARY STATEMENT**

The annual report and audited consolidated financial statements contain certain forward-looking statements with respect to certain risks and uncertainties facing the Group. These risks and uncertainties can be identified by use of forward-looking terminology such as “believe”, “could”, “expects”, “plan”, “propose”, “anticipate”, “envisage”, “estimate”, “intend”, “should”, “may” or comparable terminology indicating expectations or beliefs concerning future events. By their very nature, these forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances which may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements reflect certain knowledge and information available to the Board at the date of preparation of this report and will not be updated during the year. Nothing in the annual report and audited consolidated financial statements should be construed as a profit forecast.

**THAT'S MEDIA LIMITED**

**CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Guidance note**

This statement (**Chairman's Statement**) is intended as an overview of relevant matters pertaining to That's Media Limited (the **Company**) consolidated with its subsidiary undertakings (**That's Media** or the **Group**) as a whole.

The Chairman's Statement and accompanying Directors' report and additional disclosures and statements are not intended as a full strategic report and/or a comprehensive review of Company and/or Group activities (during or after the reporting period). It may exclude, inter alia, information which the Board deems to be confidential or sensitive at the time of publication.

Unless the context otherwise requires, references to "**the year**" or "**the period**" (or similar) are in respect of the financial year ended 31 December 2022 whilst specific references to "**now**" or "**to date**" (or similar) are in respect of the date of this report. References to a **UK-wide** broadcast services indicate that a service has transmission coverage of a substantial proportion of homes (but not necessarily all homes) in the United Kingdom of Great Britain and Northern Ireland (**UK**).

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**Highlights**

- Group turnover of £3,302,999 (2021: £1,437,058)
- Consolidated EBITDA of £1,035,028 (2021: £604,105)

**Financial results 2022**

The Group's consolidated turnover and EBITDA<sup>1</sup> for continuing operations during the financial period were as follows:

	<b>Period ended 31 December 2022</b>	<b>Period ended 31 December 2021</b>	<b>Change year-on-year</b>
<b>Turnover</b>	£3,302,992	£1,437,058	130 per cent
<b>EBITDA</b>	£1,035,028	£604,105	71 per cent

The Directors consider EBITDA to be a key performance indicator and have chosen to disclose this in the financial statements. Since this is a non-IFRS measure, it may not be directly comparable to the stated EBITDA of other companies as they may define it differently. The Company's methodology for calculating EBITDA is set out further in note 2 to the consolidated financial statements.

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<sup>1</sup> Earnings before interest, tax depreciation and amortisation (**EBITDA**) is a non-IFRS measure and includes add-backs for certain financial items. The stated EBITDA excludes the share of profit of associated undertakings attributable to the Group.

**THAT'S MEDIA LIMITED**  
**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)***

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***That's Media – 10 years on***

2022 was a milestone year for That's Media, being ten years since the Group was awarded its first local digital television programme (**local TV**) licenses by the UK licensing authority, the Office of Communications (**Ofcom**). During the subsequent decade, the Board of Directors ("**Board**" or "**Directors**") have striven to develop a media group:

- **THAT** delivers a voice to 'real people' in towns and cities of all different sizes;
- **THAT** develops nostalgic brands that showcase iconic content from television history and English-speaking culture; and
- **THAT** provides a foundation for a robust commercial business.

The Board intends to continue to strive to deliver the proportionate and realistic approach which it believes underpins the Group's business.

***Local TV services***

That's Media is the UK's largest holder of local TV licences, holding 20 of the 34 licenses in issue (2021: 20 licences). Each licence permits the holder to broadcast a television channel with carriage and appropriate prominence, regulated by Ofcom, on digital terrestrial television (**DTT** or **Freeview**) within its designated geographic location.

That's Media acquired 13 of its 20 local TV licences from third parties. Today the Group has operated these services for longer than any of the original licence-holders. All 20 services broadcast under the 'That's TV' moniker in the general entertainment section of the Freeview programme guide and deliver a common network schedule. This is consistent with the original vision for local TV espoused by the government's adviser, Nicholas Shott, for local news windows to be broadcast within a network entertainment 'spine'.

That's Media commenced its local TV journey recognising that it would be a marathon rather than a sprint. It has involved significant work to build a real business from a standing start, not least the consolidation of many previously loss-making independent local TV services into a single cohesive commercially-funded network.

The Board acknowledge the role that Government and Ofcom have played in devising and implementing a local TV licensing framework that prioritises commercial sustainability. The Directors are proud of the Group's achievements and look forward to reviewing opportunities for the future.

<p><i>"Was just to say I love the news....always brilliant, meaningful and interesting..."</i> – viewer email, March 2024</p>
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***Programming***

That's Media has maintained a particular emphasis on offering classic programming, consistent with its objective of promoting the *That's* brand as a destination for archive television and nostalgic content. The Directors consider that schedules often have cultural and historic value, offering a real alternative to the modern-day programming associated with some other broadcasters.

The Group is responsible for compiling all schedules in-house. The Group seeks to appeal to those who are sometimes described as "middle Britain" demographically. This description is not intended to be restrictive and the Group is pleased to attract a wide range of viewers for its programming.

In autumn 2022, the Group received substantial press coverage when it announced that it would show the classic BBC sitcom *Till Death Us Do Part*, including four episodes which went missing from the archives in the late 1960s. The Group also licensed other classic series' for its network including *The Goodies*, *The Fall and Rise of Reginald Perrin*, *Whatever Happened to the Likely Lads?*, *The Harry Enfield Television Show* and *The Kumars at No. 42*.

**THAT'S MEDIA LIMITED**  
**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)***

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***Distribution***

I have never felt more strongly that we need free-to-view television services with substantial UK appeal to contribute to the sense of shared interests and culture that helps bind us together. With this in mind, the Directors have sought to develop a UK network brand with a distinct identity.

During the year, the Group continued to broadcast a version of the 'That's TV' network schedule (network programming without the local news content) by contracting for UK-wide DTT and direct-to-home satellite capacity.

The Board intends to continue to assess options to secure the most appropriate distribution for its services, taking account of the costs and benefits of each available platform opportunity.

***Acquisitions***

The Group invested in acquisitions in the year intended to add value to its business assets.

In particular, the Group acquired Freeview channel number 65 from FreeSports, allowing it to move the That's TV (UK) service on DTT up from channel 91 in mid-2022. In addition, the Group entered into agreements to acquire five other Freeview channel numbers and two Sky channel numbers.

In summer 2022 That's Media acquired the entire beneficial interest in the media services group, United Television Networks Limited (UTN). Amongst the companies owned by UTN is Manchester Television Network Limited, the holder of a DTT spectrum licence for Greater Manchester (the **Manchester Multiplex**). The Board saw UTN as an example of a small group whose business would secure optimal benefit as part of a larger entity. The Group now uses certain of the DTT channel numbers it acquired in the year to broadcast services on the Manchester Multiplex.

***Environmental, social and governance (ESG)***

The Board believes that adopting proportionate ESG policies promotes the Group's productivity, and serves the interests of shareholders as well as wider stakeholders.

For ease of reference the Group's ESG statement, included in pages 12 to 14 of this report, summarises the Group's approach under headings of the eight "P's": (1) purpose; (2) programming; (3) people; (4) personal data; (5) planet; (6) practices; (7) partners and (8) public service.

The Board believes that ESG should not just be seen as for large businesses, and the Directors plan to continue to review the Group's approach.

***Staff***

The Board are enormously grateful to the staff upon whom the Group depends for the delivery of its services. It is especially gratifying to witness the progress made by many former staff within the media industry, having often joined That's Media early in their careers.

The Directors are cognisant of the impact of the current cost of living, and will strive to set pay and conditions to attract and retain staff across the Group within the resources available. That's Media remains committed to its accreditation as a Living Wage Employer. The 'real' living wage, intended to reflect the cost of living, is now voluntarily paid by over 14,000 UK companies, including over 100 companies in Salford where the Group's UK head office is based.

**THAT'S MEDIA LIMITED**  
**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)***

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***HM Queen Elizabeth II: 1926-2022***

It was with great sadness that the death of Queen Elizabeth II was announced on 8 September 2022 after more than 70 years of service as monarch. As a mark of respect, the Group suspended normal programming and advertising on all services immediately following the announcement and subsequently ran special tribute programming.

***Comux UK Ltd (Comux)***

Comux is the Ofcom-licensed supplier of DTT multiplex capacity to the local TV sector. Its primary duty is to deliver the 34 local TV services licensed by Ofcom across the UK. That's Media regards it as a fundamental tenet that Comux provides services to all local TV licensees in a consistent non-discriminatory manner, in accordance with applicable laws, and upholds its duties to shareholders, customers, staff and contractors.

The Comux business is co-owned by all local TV licensees with That's Media holding 20 of the 34 shares in issue (59 per cent), one share for each local TV licence the Group holds. Comux's articles of association prohibit any single shareholder from controlling the company and That's Media equity accounts for Comux in its consolidated accounts.

***Post-balance sheet***

That's Media has continued to acquire channel numbers in accordance with its strategy of holding a portfolio of assets intended to add value. This included the execution of agreements to acquire Freeview channel 56 from Channel 5 Broadcasting in July 2023 and Sky channel 360 from the Trace group in December 2024.

The Group entered into an agreement to launch two UK-wide services on the Virgin Media platform in 2023. A new service, 'That's TV 2', launched on Freeview, Freesat and Sky as an initial trial in January 2024. The Group has also recently launched a fourth nostalgic music channel as an initial pilot on the Sky platform.

The Group's investment in licensing classic programming has continued with titles including Little Britain, The League of Gentlemen, Bread, Up Pompeii! and Steptoe and Son broadcasting during Christmas 2023.

Comux resolved in the first quarter of 2024 to make a payment of £5,000 to each local TV licensee (£100,000 in aggregate to the Group) in reimbursement of certain local TV operational costs. This payment is distinct from the 'fixed services distributions' which Comux continues to make and which have the effect of crediting DTT transmission costs for the 34 local TV services for which Comux is now distributing feeds.

***Outlook***

The UK entered into a technical recession in the second half of 2023. The outlook for a substantial renewal in economic growth in the coming year currently remains uncertain.

Since launch, the Directors have sought to adopt a long-term approach. That's Media's strategy remains predicated on the Board retaining its clear vision and focus whatever the headwinds. The Board believes that the Group's investment to date has successfully created a brand with viewer loyalty and recognition. The Board intends to review the contribution made by existing services and to continue to review additional opportunities consistent with its business strategy.

In particular the Board intends to ensure that the Group's core 'That's TV' brand, providing a free alternative to premium channels, remains freely available. To this end management are in discussion regarding the launch of Group services on Freely, the hybrid DTT and internet protocol television brand under development. The Group is separately advancing plans to launch a dedicated 'That's TV' digital application combining on-demand programming with linear channel streams.

<p><i>"Best wishes for your station; you're filling a gap in the market."</i> – viewer email, September 2023</p>
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**THAT'S MEDIA LIMITED**  
**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)***

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***Thank you***

The Board is grateful for the continuing support of That's Media shareholders.

DocuSigned by:

**Edward Simons**

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E D Simons – Chairman  
22 March 2024



## THAT'S MEDIA LIMITED

### DIRECTORS' REPORT AND ADDITIONAL DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2022

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The Board of Directors (**Board** or **Directors**) present their report with the audited financial statements of That's Media Limited (the **Company**) together with its subsidiary undertakings (**That's Media** or the **Group**) for the year ended 31 December 2022. Unless otherwise stated or the context otherwise requires, definitions used in the report and accounts are consistent with those used in the Chairman's Statement.

The presentation currency of the accounts is pounds sterling (£) which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest pound (£1).

#### PRINCIPAL ACTIVITY

The principal activity of the Company is that of being a holding company for Group companies. The Company seeks to establish and acquire companies and assets within the media, entertainment, production and technology sectors for the purpose of enhancing societal and shareholder value by developing them and exploiting synergies. The principal activity of the Group is the provision of broadcasting and media services and production.

#### KEY PERFORMANCE INDICATORS

The Board believes that the business of the Group is straightforward and therefore limits key financial performance indicators to the financial results.

#### LOCAL TV LICENCES

At the balance sheet date the Group held 20 local digital television programme (**local TV**) licences issued by Ofcom (2021: 20 local TV licences) which are designated as public service channels under section 310 of the Communications Act 2003 (as amended).

The local TV licences held by That's Media entitle the Group to provide DTT television channels in their transmission coverage areas with appropriate prominence on electronic programme guides (on-screen listings) as regulated by Ofcom. The locations in which the Group is licensed to provide local TV services are referred to by Ofcom for licensing purposes as the licences for Aberdeen, Ayr, Basingstoke, Cambridge, Carlisle, Dundee, Edinburgh, Glasgow, Grimsby, Guildford, Manchester, Norwich, Oxford, Preston, Reading, Salisbury, Scarborough, Southampton, Swansea and York.

The Group's local TV services operate under the That's TV umbrella and broadcast its branded network entertainment schedule alongside local news and information content.

#### TRADEMARK

At the balance sheet date the Group held one trademark (2021: one) being "That's TV" which is a registered trademark of That's TV Network Limited.

#### FUTURE DEVELOPMENTS

The Group plans to continue its commercial and operational business in accordance with its strategy. Further background is contained within the Chairman's Statement.

#### DIVIDENDS

The current Board policy is for the Company to reinvest any net earnings to finance the growth and expansion of the Group's business and, accordingly, the Directors do not intend that the Company shall pay dividends for the foreseeable future. The Board will continue to review the appropriateness of the dividend policy at the business of the Group develops. At that time, the payments of dividends will be subject to the availability of distributable reserves whilst making an appropriate level of dividend cover and having regard to the need to retain sufficient funds to finance further development of the Group's activities.

No dividends have been paid or proposed in the year (2021: Nil).

#### POLITICAL OR CHARITABLE DONATIONS

There were no disclosable political or charitable donations or activities during the year (2021: Nil).

## THAT'S MEDIA LIMITED

### DIRECTORS' REPORT AND ADDITIONAL DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

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#### RISKS AND UNCERTAINTIES

The Group's operations, business, investments and profitability may be affected by a number of factors including factors that may be beyond its direct control such as inflation, market conditions, war, terrorism, epidemics or sabotage.

The Directors consider that the Group faces the following particular risks and uncertainties:

##### ***Competition***

The Group's services compete without other linear and digital television services for (amongst other things) the licensing of content and for viewers and advertising. A lack of appropriate innovation may compromise the ongoing appeal of the Group's services. To mitigate competitor risk, management regularly review viewing data to ensure that the overall programming offer is meeting expectations and schedule changes are made where deemed appropriate. The Group has also launched further services with the intention of broadening its audience reach and future revenue potential.

##### ***Key staff and suppliers***

A failure by the Group to continue to recruit and/or retain staff and suppliers with appropriate skills and competence may impact ongoing performance. The Group aims to mitigate this risk by providing (amongst other things) attractive work opportunities and competitive remuneration within available resources.

##### ***Legislation and regulation***

The Group may be exposed to non-compliance with applicable laws and regulation and/or changes in legislation or regulation which may have a negative impact on its business. To mitigate this risk the Group intermittently reviews its policies and procedures and offers to meet with Ofcom and/or the Department for Culture, Media and Sport to discuss relevant issues.

##### ***Cyber-attack, data breach or technology failure***

There is a risk of financial loss, operational disruption, critical system outage, loss of data and/or damage to the Group's reputation resultant from failure, interruption or misuse of technical systems, and/or under-performance by third party system suppliers. The Group seeks to mitigate this risk including by use of reputable suppliers and relevant information technology firewalls and software restricting use to authorised persons.

##### ***Complaints, disputes and/or litigation***

The Group may suffer complaints, criticism, disputes or actions for litigation from time to time as a result of its activities. Actions of this kind have the potential to be disruptive and/or affect the Group's business and reputation. Whilst the Group has certain insurance policies, it strives to do business the right way, to draw on its experience, and to take action to mitigate the risk of significant adverse consequences.

##### ***Credit and liquidity risk***

Late payments, defaults or any other failure to secure anticipated revenues may reduce the funds available for the Group's trading and/or development. Management seek to mitigate these risks where practical, particularly through contracting with established agencies and use of credit facilities. The Company's policy is to seek to ensure continuity of appropriate funding and to maintain sufficient cash balances and facilities to meet anticipated Group funding requirements. The Group will consider the most appropriate action in the event of defaults by creditors.

##### ***Financial instruments and other risks***

The Group's risk management process, policies for mitigating certain types of risk and the financial instruments used for this purpose are set out in note 20 to the consolidated financial statements.

The overall success of the Group is dependent on many factors and the aforementioned risks are not intended as an exhaustive review of all potential future risks and uncertainties. Risk management is regarded by the Board as of particular importance to a growing business. The Directors intend to give prudent consideration to costs, benefits and risks prior to undertaking significant new projects.

**THAT'S MEDIA LIMITED**

**DIRECTORS' REPORT AND ADDITIONAL DISCLOSURES  
FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)***

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**DIRECTORS**

The Directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report:

Edward Douglas Simons  
Daniel Cass  
Kent Leslie Walwin

Qualifying third party indemnity provision for the benefit of the Directors was in place during the year and continues to be in place. The Company also purchased and maintained throughout this period Directors' and Officers' liability insurance in respect of itself and its Directors.

**CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY**

The Directors exercise their duties in accordance with section 172(1) of the Companies Act 2006. The Directors consider that they have successfully discharged their duty to promote the long-term success of the Company for the benefit of its members as a whole, having regard to the section 172 principles.

The role of the Board is to oversee the performance and strategy of the Company. Given the size of the Group and its systems and the close involvement of the Directors in its management, the Board does not consider that there is a requirement for an internal audit function in the immediate future.

The Directors have approved an environmental, social and governance (**ESG**) statement which is included on pages 12 to 14 of this report.

**EMPLOYMENT OF DISABLED PERSONS**

It is Group policy that applicants with disabilities are given full and fair consideration during recruitment processes. The Group is committed to appropriately supporting employees with disabilities including with regard to training, career development and promotion.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing 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 International Financial Reporting Standards as adopted by the UK 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. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on Group websites. 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.

Legislation in the UK regarding the publication and dissemination of financial statements may differ from legislation in other jurisdictions.

**THAT'S MEDIA LIMITED**

**DIRECTORS' REPORT AND ADDITIONAL DISCLOSURES  
FOR THE YEAR ENDED 31 DECEMBER 2022 (*continued*)**

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**AUDITORS**

Under section 487(2) of the Companies Act 2006, MAH, Chartered Accountants will be deemed to have been reappointed as auditors 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing these accounts with the registrar, whichever is earlier.

**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 Company's independent auditors' (**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 Auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies. Accordingly, no separate strategic report is provided.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
**Edward Simons**  
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.....  
E D Simons - Director  
22 March 2024

DocuSigned by:  
*Kent Walwin*  
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.....  
K Walwin - Director  
22 March 2024

## THAT'S MEDIA LIMITED

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT

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#### 1. Purpose

That's Media Limited (the **Company**) together with its subsidiary companies (the **Group**) seek to work with others who share the Group's passion and commitment to delivering services in the media and communications sector in a socially responsible manner.

The Group seeks to operate a sustainable business that meets consumer demand and generates long-term value.

The Group strives to maintain high values, standards and processes to secure its aims.

This statement is intended as a non-exhaustive summary of the Group's principles and priorities and the Company aims for all aspects of the Group's business to be conducted in the spirit of its contents.

#### 2. Programming

The Group is the largest holder of public service local digital television programme service licences granted in the United Kingdom of Great Britain and Northern Ireland (**UK**) by the Office of Communications (**Ofcom**). The Group believes that these licences are able to provide the foundation for a television network that serves audiences who may feel underserved by many other traditional broadcasters.

The Group's business model uses commercial revenues derived from network programming to financially support its news production. The Group seeks to develop a substantial television business with the size and scale to offer:

- a space where a range of issues, views, people and organisations secure coverage, enhancing the diversity of voices and stories broadcast in UK towns and cities of different sizes;
- a platform for multiskilled journalists to develop their work; and
- an antidote to the perceived metropolitan outlook of some other television networks.

Management closely monitor viewing metrics and viewer feedback. The Group believes that true public service television 'receives' as well as 'transmits'. By engaging with viewers in UK towns and cities, the Group aims to make a distinct contribution to UK media.

The Group delivers its core broadcast news services free-at-the-point-of-use and independent of commercial interests.

The Group recognises the potential for conflict with today's societal values when broadcasting archive television and film content. The Group seeks to act in good faith with regard to these works. The Group's policy is to broadcast messages at the start of programming if it believes that the content has the potential to cause offence to some viewers.

#### 3. People

The Group seeks to work with others with relevant competence who share its values. The Group's guiding principle is to foster working environments where everyone feels welcome and respected.

The Group will pursue a fair approach to remuneration, working hours and attendance. The Group is accredited by the Living Wage Foundation and ensures that all of its staff are paid no less than the real Living Wage in accordance with this accreditation. All staff and contractors (**Team Members**) should be aware of the terms and conditions of their employment or engagement which shall be consistent with good industry practice. Work experience and apprenticeship programmes, where used, shall comply with all applicable laws and take account of advice from experts in the field.

The Group expects Team Members to act with integrity towards one another and the business. Effective communication should ensure that all those who work with the Group or on its behalf are aware of the Group's expectations. The Group believes in maintaining a supportive environment and establishing effective engagement, including through staff meetings and communications.

## THAT'S MEDIA LIMITED

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT *(continued)*

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The Group expects all Team Members to play a role in creating a safe and welcoming working environment for themselves and others. The Group has a written health and safety policy. Effective health and safety takes precedence over production deadlines. The Group's policy is that, before entrusting tasks to personnel, it will take appropriate account of their capabilities with regards to health and safety.

The Group does not tolerate harassment (sexual or otherwise), or bullying in any form. The Group respects difference and will treat all applicants and Team Members fairly. The Group is committed to making reasonable adjustments to enable it to work with people with disabilities. The Group is an active champion of the creation of opportunities in journalism, including opportunities for people from less privileged backgrounds.

The Group is committed to supporting the wellbeing of Team Members in and out of the workplace. The Group subscribes to a third-party employee assistance programme providing all staff with a confidential and independent telephone helpline 24 hours per day and access to counselling.

The Group will publish an annual statement in accordance with its policy of minimising the risks of modern slavery or human trafficking in its business and supply chains.

#### 4. **Personal data**

The Group has adopted policies designed to ensure compliance with applicable data protection legislation.

Data received should not be used for any personal gain, nor for any purpose beyond that for which it was intended.

The Group will give consumers information on their rights concerning their data, as well as ways to contact the Group with questions or concerns.

#### 5. **Planet**

The Group is committed to seeking the most appropriate ways to minimise any negative impact it has on the environment.

The Group aims to use natural resources efficiently and promote the principles of 'reduce, reuse and recycle'. The Group pays particular attention to waste minimisation, conserving resources and energy, minimising emissions and ensuring it sources safe and sustainable materials where practically and economically feasible to do so.

In accordance with this approach, the Group seeks to avoid printing where possible, and strives to implement 'paperless' productions. The Group promotes the use of public transport rather than private motor vehicles where safe and practical to do so and the use of remote video facilities when appropriate to reduce the need for travel. The Group uses lower power fluorescent or LED lighting fixtures where feasible, rather than power consuming incandescent studio lighting. The Group also aims to give due consideration to environmental issues and energy performance in the acquisition or refurbishment of its studio and office premises.

#### 6. **Practices**

The Group holds as fundamental to its success the trust and confidence of the public and those with whom it deals, including clients and suppliers. Representatives of the Group are expected to exercise a high standard of business practice and ethics in their commercial dealings.

The Group has a corporate gifts policy which provides rules and guidelines aimed at minimising the possibility of conflicts of interest.

The Group is fundamentally opposed to any acts of bribery and to the making of facilitation payments as defined by the Bribery Act 2010. All Team Members are encouraged to report any suspicion of bribery or corruption.

## THAT'S MEDIA LIMITED

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT *(continued)*

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The Group seeks to maximise the effectiveness of its systems and processes in order to secure optimal performance.

The Company believes in adopting and adhering to standards of corporate governance appropriate to the size and scale of the Group. The Group seeks to take appropriate action to protect its assets from loss, misuse, damage, theft or sabotage. The Group will periodically review its policies and procedures including its business continuity and disaster recovery plans.

Consistent with its commitment to transparency, the Company files its full consolidated Group accounts with the Registrar of Companies.

The Group periodically reviews its procedures intended to ensure compliance with its legal and regulatory obligations. The Group intends to maintain appropriate dialogue with relevant governmental and regulatory bodies and continue to participate in relevant industry forums.

#### 7. **Partners**

The Group aims to build strong relationships with key clients, suppliers and other stakeholders and to maintain dialogue to understand their objectives.

The Group requires its commercial advertising inventory to be sold with integrity and, generally where practical, with reference to industry-accepted audience measurement metrics.

The Group will procure fairly and abide by applicable laws designed to prevent money laundering, criminal financing and tax evasion.

The Group will comply with all applicable antitrust, competition and trade laws and regulations.

The Group also expects suppliers and agents to work towards and uphold appropriate professional and ethical standards. The Group reserves the right to request information from suppliers regarding the production and sources of goods and services supplied. The Group may withdraw from any agreement or arrangement with a third party who is found to have acted in contravention of the fundamental spirit of the Group's approach.

#### 8. **Public service**

The Group strives to reflect the tastes and interests of its viewers, including by providing compelling entertainment and targeted local news and information. The Group provides mechanisms for viewer contribution and feedback via its website at [www.thats.tv](http://www.thats.tv)

The Group will maintain a list of helplines on its website for those who may be affected by any of the issues that tend to be covered in its news programming such as mental health and addiction.

The Group values its independence within the political process, and does not contribute its funds, assets, facilities or services to political parties or candidates standing for public election.

The Company will review and revise its environmental, social and governance (ESG) strategy on an ongoing basis. The Company will ensure that future iterations of the Group's ESG statement take appropriate account of changes in the organisation, legislation and stakeholder comments.

This statement constitutes a statement of values. It does not form a part of any contract between a Group company and any other entity other than to the extent expressly stated within a written agreement. In some cases, the Group also has more detailed statements, guidelines, policies and/or contractual agreements about certain subjects included in this statement. In that case, those documents may also apply and, where applicable, may be determined by the Company's directors to take precedence.

This statement was approved by the Board of Directors on 22 March 2024 and is signed on its behalf by:

DocuSigned by:

**Edward Simons**

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E D Simons - Director

22 March 2024

## THAT'S MEDIA LIMITED

### MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

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This modern slavery and human trafficking statement is a response to Section 54(1), Part 6 of the Modern Slavery Act 2015 and relates to activities for the year ending 31 December 2022.

Modern slavery occurs where there is exploitation of a person and coercion to prevent them from leaving. Human trafficking is when an individual arranges or facilitates the travel of another person with a view to that person being exploited.

That's Media Limited (the **Company**) supports the rule of law and is vehemently opposed to the use of slavery in all forms; cruel, inhuman or degrading punishments; and authoritarian attempts to control or reduce freedom of thought, conscience and religion.

The Company is committed to minimising the risk of slavery and human trafficking violations in its operations and supply chains. The Company is the parent company of a number of subsidiaries (together the **Group**) and has business operations based in the United Kingdom of Great Britain and Northern Ireland (**UK**).

The Group operates a number of policies and procedures intended to ensure that it is conducting its business in an ethical manner and has published an Environmental, Social and Governance statement.

The Group operates in the UK media and communications sector which the Board considers to be low risk on the scale of risk for modern slavery and human trafficking, with a high proportion of workers having gained professional qualifications or experience. The primary focus for the purposes of assessing risk of modern slavery and human trafficking in respect of the Group's business rests in its supply chain. The Group obtains certain goods and services from external suppliers including specialist broadcast, information technology and administrative support services; office goods, programming licences; and courier cleaning and building / maintenance services.

The Group takes a risk-based approach to understanding and monitoring its supply chain and expects all suppliers to take a zero-tolerance approach to modern slavery and human trafficking. It is Group policy that any substantive new supplier is subject to an on-boarding process which includes consideration of the quality of their services and ways of working.

The Group intends to regularly evaluate the nature and extent of its exposure to the risk of modern slavery occurring and encourage colleagues to report any concerns. The Group may impose rights of compliance with the Group's policies in its contracts with contractors/suppliers and may require that they impose similar requirements on their own contractors/suppliers.

If non-compliance is identified, the Group will normally (subject to contractual obligations) terminate its arrangement with the contractor/supplier or require them to prepare and execute a remedial plan. The Group also reserves its right to engage with the appropriate authorities with a view to securing the optimal outcome for any potential victims.

The external services used by the Group are deemed by the Company's directors (**Board**) to be low risk in relation to slavery and human trafficking at the current time. Given what the Company understands to be a low risk profile, the Board believes that current diligence procedures are sufficient in this regard. The Board is not aware of any modern slavery or human trafficking occurring in the Group's business or supply chains in the period ending 31 December 2022 (2021: Nil).

This statement was approved by the Board of Directors on 22 March 2024 and is signed on its behalf by:

DocuSigned by:

**Edward Simons**

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E D Simons - Director



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THAT'S MEDIA LIMITED**

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### **Opinion**

We have audited the financial statements of That's Media Limited for the period ended 31 December 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, company statement of financial position, company statement of changes in equity, company statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK, and as regards to the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
THAT'S MEDIA LIMITED (continued)**

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in the preparing of the Directors' Report.

**Responsibilities of Directors**

As explained more fully in the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THAT'S MEDIA LIMITED *(continued)*

### Auditor's responsibilities for the audit of the financial statements


This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are IFRS, the UK Companies Act 2006, and tax legislation (governed by HM Revenue and Customs).
- We understood how the Company is complying with those frameworks by making enquiries of senior management. We also reviewed any significant correspondence between the Company and HM Revenue and Customs, reviewed any minutes of the Board, and gained an understanding of the Company's approach to governance and its internal control processes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of senior management and a review of legal expenses.

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

DocuSigned by:  
  
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Mohammed Haque  
Senior Statutory Auditor

For and on behalf of  
MAH, Chartered Accountants  
Statutory Auditors  
154 Bishopsgate  
London  
EC2M 4LN

Date: 22 March 2024

**THAT'S MEDIA LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	31.12.22 £	31.12.21 £
<b>TURNOVER</b>	<b>4</b>	3,302,999	1,437,058
Other operating income		515,863	588,505
Administrative expenses		(3,345,692)	(1,753,560)
Operating Profit/(Loss)	<b>5</b>	473,170	272,003
Share of operating profits of associates less amounts receivable		766,000	790,000
Interest receivable and similar income		295	52
Interest payable and similar expenses	<b>7</b>	(65,107)	(97,046)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		1,174,358	965,009
Tax on Profit/(Loss)	<b>8</b>	(-)	(19,992)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		1,174,358	945,087
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		1,174,358	945,087
Profit/(Loss) attributable to:			
Owners of the parent		1,170,614	945,452
Non-controlling interests		3,744	(365)
		1,174,358	945,087
<b>EBITDA</b>		1,035,028	604,105

All amounts relate to continuing operations.

The accompanying notes on pages 24 to 41 form an integral part of these financial statements.

## THAT'S MEDIA LIMITED (REGISTERED NUMBER: 09489484)

## CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

	Notes	Group 31.12.22 £	Group 31.12.21 £	Company 31.12.22 £	Company 31.12.21 £
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	10	1,420,341	919,772	-	-
Property, Plant & Equipment	11	483,283	441,113	-	-
Investments	12,13	2,671,049	1,905,049	954,529	504,529
		<u>4,574,673</u>	<u>3,265,934</u>	<u>954,529</u>	<u>504,529</u>
<b>CURRENT ASSETS</b>					
Trade and other receivables	14	884,398	381,068	1,602,869	1,768,295
Cash and cash equivalents	15	1,667,718	1,024,715	5,159	5,159
		<u>2,552,116</u>	<u>1,405,783</u>	<u>1,608,028</u>	<u>1,773,454</u>
<b>TOTAL ASSETS</b>		<u>7,126,789</u>	<u>4,671,717</u>	<u>2,562,557</u>	<u>2,277,983</u>
<b>EQUITY</b>					
Shareholders' Equity					
Called up share capital	18	74,633	73,941	74,633	73,941
Share premium		1,142,712	943,404	1,142,712	943,404
Non-Controlling Interests		(127,155)	(130,899)	-	-
Revaluation Surplus		55,000	55,000	-	-
Retained earnings / (accumulated deficit)		2,526,516	1,355,902	292,945	249,601
		<u>3,671,706</u>	<u>2,297,348</u>	<u>1,510,290</u>	<u>1,266,946</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	16	2,011,054	938,369	52,267	11,037
		<u>2,011,054</u>	<u>938,369</u>	<u>52,267</u>	<u>11,037</u>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	17	1,053,037	1,000,000	1,000,000	1,000,000
Other payables	17	390,992	436,000	-	-
		<u>1,444,029</u>	<u>1,436,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>TOTAL LIABILITITES</b>		<u>3,455,083</u>	<u>2,374,369</u>	<u>1,052,267</u>	<u>1,011,037</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,126,789</u>	<u>4,671,717</u>	<u>2,562,557</u>	<u>2,277,983</u>

The accompanying notes on pages 24 to 41 form an integral part of these financial statements.

**THAT'S MEDIA LIMITED (REGISTERED NUMBER: 09489484)**  
**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2022 (*continued*)**

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The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 22 March 2024 and were signed on its behalf by:

DocuSigned by:  
**Edward Simons**  
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.....  
E D Simons - Director

DocuSigned by:  
*Kent Walwin*  
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K Walwin – Director

The accompanying notes on pages 24 to 41 form an integral part of these financial statements.

## THAT'S MEDIA LIMITED

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022

Group	Called up share capital	Share premium	Non- Controlling interests	Revaluation Surplus	Retained Earnings	Total equity
	£	£	£	£	£	£
Balance at 31 December 2020	73,941	943,404	(130,534)	55,000	410,450	1,352,261
Profit for the period	-	-	(365)	-	945,452	945,087
Balance at 31 December 2021	73,941	943,404	(130,899)	55,000	1,355,902	2,297,348
Issue of shares during the period	692	199,308	-	-	-	200,000
Profit for the period	-	-	3,744	-	1,170,614	1,174,358
Balance at 31 December 2022	74,633	1,142,712	(127,155)	55,000	2,526,516	3,671,706

Company	Called up share capital	Share premium	Retained Earnings	Total equity
	£	£	£	£
Balance at 31 December 2020	73,941	943,404	222,124	1,239,469
Issue of shares during the period	-	-	-	-
Profit for the period	-	-	27,477	27,477
Balance at 31 December 2021	73,941	943,404	249,601	1,266,946
Issue of shares during the period	692	199,308	-	200,000
Profit for the period	-	-	43,344	43,344
Balance at 31 December 2022	74,633	1,142,712	292,945	1,510,290

The accompanying notes on pages 24 to 41 form an integral part of these financial statements.

**THAT'S MEDIA LIMITED**  
**CONSOLIDATED AND COMPANY CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
<b>Cash flows from operating activities</b>				
Operating (loss)/profit	1,239,170	1,062,003	108,441	28,477
(Increase)/decrease in trade and other receivables	(425,062)	(345,085)	165,425	(1,030,495)
(Decrease)/increase in trade and other payables	863,816	422,562	41,230	1,437
Depreciation	149,917	121,517	-	-
Amortisation	406,545	210,585	-	-
Adjustments relating to associates	(766,000)	(790,000)	-	-
Cash inflow/(outflow) from operations	1,468,386	681,582	315,096	(1,000,581)
Interest paid	(65,107)	(97,046)	(65,096)	-
Interest received	295	52	-	-
<b>Net cash (outflow)/inflow from operating activities</b>	1,403,574	584,588	250,000	(1,000,581)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(190,246)	(125,763)	-	-
Purchase of intangible assets	(535,175)	(152,535)	-	-
Acquisition of subsidiaries, net of cash acquired	(128,911)	-	(350,00)	-
<b>Net cash outflow from financing activities</b>	(854,332)	(278,298)	(350,000)	-
<b>Cash flows from financing activities</b>				
Repayment of bank loans	(6,239)	-	-	-
Net proceeds from non-bank loans / facilities	-	200,000	-	1,000,000
Proceeds from issues of shares	100,000	-	100,000	-
<b>Net cash inflow from financing activities</b>	93,761	200,000	100,000	1,000,000
<b>Increase/(decrease) in cash and equivalents</b>	643,003	506,290	-	(581)
Cash and cash equivalents at the start of the year	1,024,715	518,425	5,159	5,740
Cash and cash equivalents at the end of the year	1,667,718	1,024,715	5,159	5,159

The accompanying notes on pages 24 to 41 form an integral part of these financial statements.



## THAT'S MEDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1. GENERAL INFORMATION

That's Media Limited (the **Company**) is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found in the Company Information section of this report. Further information on subsidiary and associated undertakings is included in notes 12 and 13.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as the **Group**) as at and for the 12-month period to 31 December 2022. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

The principal activity of the Group is the provision of television, media and production services.

#### 2. ACCOUNTING POLICIES

##### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively **IFRS**) as adopted for use in the United Kingdom of Great Britain and Northern Ireland (**UK**) and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

##### Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost basis as modified by the fair value of financial assets at fair value through profit and loss, as explained in the accounting policies below, and in accordance with IFRS. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

The Group has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that those standards or interpretations which have been issued by the International Accounting Standards Board, but which have not been adopted, will have a material impact on the financial statements of the Company in the period of initial application.

The following standards and interpretations to published standards are not yet effective:

New standard or interpretation	Mandatory effective date (periods beginning)
IAS 8 "Changes in accounting estimates and errors: definition of accounting estimates"	1 January 2023
IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction"	1 January 2023
IFRS 17 "Insurance contracts"	1 January 2023
IAS 1 "Classification of liabilities as current and non-current"	1 January 2024
IFRS 16 "Lease liability in a sale and leaseback"	1 January 2024

A summary of the Company's significant accounting policies is set out below.

## THAT'S MEDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

#### 2. ACCOUNTING POLICIES - *continued*

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

## THAT'S MEDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

#### 2. ACCOUNTING POLICIES - *continued*

##### **Basis of consolidation (continued)**

The results of associated companies are incorporated using the equity method of accounting. Associated companies are entities over which the Group has significant influence but does not have the power to exercise control over the operating and financial policies. Under this method, an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate.

##### **Going concern policy**

Where the total liabilities of the Group exceed current assets the Directors consider whether it is appropriate to prepare the accounts on a going concern basis. In making this assessment the Directors consider whether they expect the Group to have sufficient resources to meet its anticipated day to day working capital requirements for a period of at least 12 months and whether the Group has the support of its creditors. Where the Directors conclude that the Group has access to sufficient resources and support, the Directors will, subject to and in accordance with applicable laws, prepare the accounts on a going concern basis.

##### **EBITDA**

The consolidated income statement records a figure for earnings before interest, tax, depreciation and amortisation (**EBITDA**). This has been calculated from operating profit (excluding the Group's share of income from associates) excluding interest, tax, depreciation, amortisation and revaluations of associates. EBITDA is a non-statutory reporting measure but is considered by the Board as a key internal financial performance indicator.

##### **Revenue**

Revenue represents the amounts derived from invoicing, net of any sales taxes, returns, rebates or discounts. The following classes of revenue is normally recognised on the following basis:

<i>Advertising, production and media services:</i>	on transmission / delivery
<i>Sponsorship and airtime supply:</i>	over time evenly over the life of the agreement
<i>Comux and other invoices:</i>	over time in accordance with the terms of the agreement

The pricing of these services (which drives the revenue recognition) depends on the service level and commercial agreement.

The contractual performance obligations and pricing of services will normally be embedded in an agreement with the client. Where that agreement is detailed, the revenue recognition will follow the allocation of fees and revenues against the completion of the agreed performance milestones in the accounting period. Where the agreement is not specific, the revenue recognition will be in proportion to the completion of performance milestones in the relevant accounting period against the internal costings prepared in advance for each project.

The Group did not have any material obligations in respect of returns, refunds or credits to clients in the year or in the prior year.

Dividend income and income from fixed asset investments comprising distributions from Group undertakings or associates and is recognised when payment is received.

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

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**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension**

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the profit and loss account when due.

**Intangible assets**

The value of broadcast licences held are reviewed at least annually to assess the fair market value of each asset, excluding synergies with other Group assets.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Programming assets are recognised as intangible assets once they become available and licensed for transmission. Amortisation of programming assets reflects the underlying economics of the asset base which, unless otherwise determined, reflects the duration of the licence acquired. The Group reviews the carrying amounts of all of its programming assets at least annually to determine whether there is any indication that any of those assets have suffered an impairment loss.

Patents and licences are otherwise amortised evenly over their estimated useful lives, ranging from five to ten years.

Goodwill is tested for impairment where material.

## THAT'S MEDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

#### 2. ACCOUNTING POLICIES - *continued*

##### **Property, plant and equipment**

Property, plant and equipment 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:

- Computer, office and broadcast equipment: 20 per cent straight line
- Land and buildings are not depreciated where the residual value is estimated to exceed the cost as a result of being an appreciating asset. They are revalued based on valuations obtained from external chartered surveyors where deemed appropriate.

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 recognised in the income statement.

##### **Investments in subsidiaries**

Investments in subsidiary undertakings are initially recorded in the Company's balance sheet at cost less provision for impairment.

##### **Investments in associates**

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of profit or loss, other comprehensive income and equity of the associates. Distributions received from an associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be required as a consequence of changes to the associate's equity arising from items of other comprehensive income.

If there is an indication that an investment in an associate may be impaired, the Group tests the entire carrying amount of the investment for impairment as a single asset. Any goodwill included as part of the carrying amount of the investment in the associate is not tested separately for impairment.

##### **Hire purchase and leasing commitments**

Rentals paid under short term operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### **Fair value measurement**

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Group uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Group. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

##### **Cash and cash equivalents**

Cash and cash equivalents 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. Any bank overdrafts are shown within borrowings in current liabilities.

## THAT'S MEDIA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

#### 2. ACCOUNTING POLICIES - *continued*

##### **Financial assets**

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

##### *Loans and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### *Impairment of financial assets*

For trade receivables and other receivables due in less than 12 months, the Group applies the simplified approach in calculating Expected Credit Losses (ECL), as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

##### **Financial liabilities**

Basic financial liabilities, including trade and other creditors and bank loans, excluding any financing transactions, are initially recognised at transaction price and are subsequently measured at amortised cost determined using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **Equity instruments**

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

##### **Foreign Exchange**

Foreign current transactions are translated into £ sterling, the Group's functional currency, using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

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**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

In the application of the Company's and the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about, inter alia, the carrying amounts of assets and liabilities and income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on a regular basis. If, in the future, such estimates and assumptions deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

*Going concern*

The Directors have assessed the impact of incorporating additional inflation and recession-related risk factors in the going concern assessment over a period of at least 12 months after the signing of these financial statements. Key assumptions considered by management when assessing going concern include adjusting managements reasonable estimate of forecasted performance for factors including the length and extent of potential recession and inflation and the resulting general economic environment. These have been estimated for their respective impacts on the Group's revenues, fixed and variable costs and resultant expected cash flow requirements.

The Group's forecasts and projections, taking into account a reasonable estimate of a possible downturn in trading performance arising from external economic factors, indicate that the Group has sufficient financial resources for the going concern period. The Directors therefore do not believe, at the time of approving these accounts, that inflation or potential ongoing recession represents a material uncertainty about the Group's ability to continue as a going concern.

Accordingly, and as further elaborated in note 22, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

*Useful lives of depreciable assets*

The Board reviews the useful lives and residual value of depreciable assets at each reporting date to ensure that the useful lives represent a reasonable estimate of likely period of benefit to the Group. Property, plant and equipment assets are depreciated over their useful lives taking into account of residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

*Intangible assets*

The assessment of the future economic benefits generated by these separately identifiable intangible assets and the determination of its amortisation profile involve a significant degree of judgement based on management estimation of future potential revenue and profit and the useful life of the assets. Reviews are performed regularly to ensure the recoverability of these intangible assets.

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

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**4. TURNOVER**

The accounting policy for identifying segments is based on the internal management reporting information that is reviewed by the Directors.

The Group generates material revenue from the provision of television, media and production services. The financials for this segment can be seen in the financial statements in this document.

The Group derives revenue from the transfer of services over time to customers primarily operating in the UK.

The Directors have reviewed the revenue from contracts with customers and have determined that there is no material distinction in how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors in both the current and prior year, and therefore revenue has not been disaggregated.

**5. PROFIT/ (LOSS) BEFORE TAXATION**

The profit / (loss) is stated after charging:

	31.12.22	31.12.21
	£	£
Depreciation - owned assets	149,917	121,517
Patents and licences amortisation	406,545	210,585
Auditors fees – audit services	9,000	9,000
Auditors fees – non-audit services	-	-
	<u>-</u>	<u>-</u>

**6. EMPLOYEES AND DIRECTORS**

There were £249,863 employment costs (2021: £63,437). The average number of directors was 3 (2021: 3) and no remuneration was payable (2021: Nil).

**7. FINANCE COSTS**

The interest expense stated in the income statement relates to interest payable on loans.



**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

**8. TAXATION**

	31.12.22 £	31.12.21 £
<i>Current tax</i>		
UK corporation tax	-	19,922
<i>Deferred tax</i>		
Accelerated capital allowances	-	-
	<u>          </u>	<u>          </u>
Total tax charge	<u>          </u> -	<u>          </u> 19,922

The reasons for the difference between the actual current tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	31.12.22 £	31.12.21 £
Profit / (Loss) before tax	1,174,358	965,009
	<u>          </u>	<u>          </u>
Expected tax charges based on the standard rate of corporation tax in the UK of 19.00 per cent (2021 - 19.00 per cent)	223,128	183,352
Effects of:		
Expenses not deductible for tax purposes	2,775	-
Depreciation	28,484	23,088
Unrealised movements in associates	(145,540)	(150,100)
Other adjustments	(8,554)	120
Utilisation of tax losses	(53,262)	(12,643)
Capital allowances	(47,031)	(23,895)
	<u>          </u>	<u>          </u>
Total current tax charge	<u>          </u> -	<u>          </u> 19,922

The standard rate of corporation tax in the UK increased to 25 per cent from 1 April 2023, affecting companies with profits of £250,000 and over. Small companies with profits up to £50,000 continue to pay corporation tax at 19 per cent, with profits between these two figures being subject to a tapered rate.

**9. INDIVIDUAL INCOME STATEMENT**

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not presented an Income Statement or a Statement of Comprehensive Income for the parent company. The Company's profit for the year was £43,344 (2021: £27,477).

## THAT'S MEDIA LIMITED

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

## 10. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Licences & IP £	Totals £
<b>Cost</b>			
At 1 January 2022	462,477	1,636,285	2,098,762
Acquired through business combinations	-	16,180	16,180
Additions	<u>355,759</u>	<u>535,175</u>	<u>890,934</u>
At 31 December 2022	<u>818,236</u>	<u>2,187,640</u>	<u>3,005,876</u>
<b>Amortisation</b>			
At 1 January 2022	459,655	719,335	1,178,990
Amortisation	<u>-</u>	<u>406,545</u>	<u>406,545</u>
At 31 December 2022	<u>459,655</u>	<u>1,125,880</u>	<u>1,585,535</u>
<b>Net book value</b>			
At 31 December 2022	<u>358,581</u>	<u>1,061,760</u>	<u>1,420,341</u>
At 31 December 2021	2,822	916,950	919,772
<b>Comparatives:</b>			
<b>Cost</b>			
At 1 January 2021	462,477	1,483,750	1,946,227
Additions	<u>-</u>	<u>152,535</u>	<u>152,535</u>
At 31 December 2021	<u>462,477</u>	<u>1,636,285</u>	<u>2,098,762</u>
<b>Amortisation</b>			
At 1 January 2021	459,655	508,750	968,405
Amortisation	<u>-</u>	<u>210,585</u>	<u>210,585</u>
At 31 December 2021	<u>459,655</u>	<u>719,335</u>	<u>1,178,990</u>
<b>Net book value</b>			
At 31 December 2021	<u>2,822</u>	<u>916,950</u>	<u>919,772</u>
At 31 December 2020	2,822	975,000	977,822

The Licences & IP relate to separately identifiable intangibles, including those acquired during business combinations. The Directors have assessed that certain broadcast licences acquired with a cost of £500,000 do not require depreciation to be applied. Certain licences & IP acquired in 2018 with a cost of £950,000 have a 5-year life. Licences & IP acquired in 2022 with a cost of £535,175 (2021: £152,535) are amortised over the applicable licence period or a maximum period of 10 years if there is no specified licence period.

Amortisation is included within administrative expenses in the statement of comprehensive income.

## THAT'S MEDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 *(continued)*

## 11. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 January 2022	205,000	817,086	1,022,086
Additions	-	190,246	190,246
Acquired through business combinations	-	1,841	1,841
	<u>205,000</u>	<u>1,009,173</u>	<u>1,214,173</u>
At 31 December 2022	<u>205,000</u>	<u>1,009,173</u>	<u>1,214,173</u>
<b>Depreciation</b>			
At 1 January 2022	-	580,973	580,973
Charge for year	-	149,917	149,917
	<u>-</u>	<u>730,890</u>	<u>730,890</u>
At 31 December 2022	<u>-</u>	<u>730,890</u>	<u>730,890</u>
<b>Net book value</b>			
At 31 December 2022	<u>205,000</u>	<u>278,283</u>	<u>483,283</u>
At 31 December 2021	<u>205,000</u>	<u>236,113</u>	<u>441,113</u>
<b>Comparatives</b>			
<b>Cost</b>			
At 1 January 2021	205,000	691,323	896,323
Additions	-	125,763	125,763
	<u>205,000</u>	<u>817,086</u>	<u>1,022,086</u>
At 31 December 2021	<u>205,000</u>	<u>817,086</u>	<u>1,022,086</u>
<b>Depreciation</b>			
At 1 January 2021	-	459,456	459,456
Charge for year	-	121,517	121,517
	<u>-</u>	<u>580,973</u>	<u>580,973</u>
At 31 December 2021	<u>-</u>	<u>580,973</u>	<u>580,973</u>
<b>Net book value</b>			
At 31 December 2021	<u>205,000</u>	<u>236,113</u>	<u>441,113</u>
At 31 December 2020	<u>205,000</u>	<u>231,867</u>	<u>436,867</u>

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

**12. FIXED ASSET INVESTMENTS IN SUBSIDIARIES**

**Company**

	31.12.22	31.12.21
	£	£
Cost and carrying amount		
At 1 January	504,529	504,529
Additions	450,000	-
	<hr/>	<hr/>
At 31 December	954,529	504,529
	<hr/>	<hr/>

**Subsidiary undertakings**

At the balance sheet date the Company was the ultimate parent company to the following companies:

Name	Share class	Beneficial holding	Principal activity
Canis Television & Media Limited	Ordinary	100 per cent	Broadcasting & media services
Country Music Entertainment Limited	Ordinary	100 per cent	Broadcasting & media services
Entertainment Television Channels Limited	Ordinary	100 per cent	Broadcasting & media services
Extraordinary Collections Limited	Ordinary	100 per cent	Dormant following acquisition (dissolved 6 February 2024)
Public Service Media Limited	Ordinary	100 per cent	Broadcasting & media services (dissolved 9 May 2023)
Local Television Limited	Ordinary	100 per cent	Office facilities
Local TV News Limited	Ordinary	100 per cent	Broadcasting & media services (dissolved 9 May 2023)
Manchester Television Network Limited	Ordinary	100 per cent	Broadcasting & media services
Price Studios Limited	Ordinary	100 per cent	Dormant following acquisition
That's Entertainment Group Limited	Ordinary	100 per cent	Holding company
That's Entertainment TV Limited	Ordinary	100 per cent	Broadcasting & media services
That's Lifestyle Limited	Ordinary	100 per cent	Office facilities
That's Media Group Limited	Ordinary	100 per cent	Broadcasting & media services
That's Television Limited	N/A	100 per cent (limited by guarantee)	Broadcasting & media services
That's TV Limited	Ordinary	100 per cent	Dormant
That's TV Broadcasting Limited	Ordinary	100 per cent	Broadcasting & media services
That's TV Network Limited	Ordinary	100 per cent	Broadcasting & media services
TV Warehouse Limited	Ordinary	100 per cent	Broadcasting & media services
United Television Networks Limited	Ordinary	100 per cent	Holding company
YourTV Manchester Limited	Ordinary	90 per cent	Broadcasting & media services
YourTV Preston Limited	Ordinary	90 per cent	Broadcasting & media services

All undertakings are domiciled in the UK. Each company is registered in England and Wales at the Company's registered office address other than That's Entertainment TV Limited, Local TV News Limited and Public Service Media Limited which are registered in Scotland at That's TV Scotland, Suite 2-2, 12 Renfield Street, Glasgow G2 5AL. Group companies limited by shares only have one share class in issue.

Certain Group companies are also members of Local Television Network Limited (LTVN). LTVN is a company limited by guarantee registered in England and Wales at 15 Paternoster Row, Sheffield S1 2BX and acts as a forum for local TV operators. LTVN filed dormant accounts for the year (2021: dormant).

**THAT'S MEDIA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)****12. FIXED ASSET INVESTMENTS IN SUBSIDIARIES – continued**

During the period the Group acquired 100 per cent of the equity interests of United Television Network Limited and its subsidiaries for a consideration of £450,000 comprising £350,000 cash and £100,000 settled by way of the allotment of 40,000 ordinary shares in the Company.

Details of the fair value of identifiable assets and liabilities acquired as at the acquisition date of 14 July 2022 are as follows:

	Book Value £	Adjustment £	Fair value £
Intangible fixed assets	123,180	(107,000)	16,180
Tangible fixed assets	188,574	(186,733)	1,841
Financial assets	-	-	-
Trade and other receivables	78,267	-	78,267
Cash	221,089	-	221,089
Trade and other payables	(163,859)	-	(163,859)
Borrowings	(59,276)	-	(59,276)
Total net assets	387,974	(293,733)	94,241
Non-controlling interests			-
Goodwill			355,759
Fair value of consideration			450,000

Acquisition-related costs were recognised as expenses in the period within administrative expenses.

The amounts of revenue and loss of the acquiree since the acquisition date included in the consolidated statement of income for the period is approximately £187,000 revenue and £124,000 loss (excluding the impact of any impairments made at a Group level upon acquisition). If the acquisition had occurred at the start of the period, the acquiree would have had additional revenue of approximately £298,000 and profit reduced by approximately £300,000.

**13. FIXED ASSET INVESTMENTS IN ASSOCIATES****Group**

	31.12.22 £	31.12.21 £
Cost and carrying amount		
At 1 January	1,905,049	1,115,049
Movement in the year	766,000	790,000
At 31 December 2022	2,671,049	1,905,049

**Associates**

As at 31 December 2022, the Group owned approximately 59 per cent of the issued share capital of Comux (20 ordinary shares) (2021: 20 ordinary shares). Due to certain restrictions in the voting rights of the shares held, the Group has accounted for its investment as an investment in an associate. Movement in the year comprises the Group's share of profit or loss, distributions received and movements in share of net assets. Comux is registered in England and Wales at Innovation Birmingham Campus, Faraday Wharf, Holt Street, Birmingham B7 4BB.

## THAT'S MEDIA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

## 14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Amounts falling due within one year:				
Trade receivables	44,788	171,599	-	-
Amounts owed by Group undertakings	-	-	1,602,869	1,768,295
Prepayments and accrued income	704,559	178,839	-	-
Other debtors	<u>135,050</u>	<u>30,630</u>	<u>-</u>	<u>-</u>
	<u>884,397</u>	<u>381,068</u>	<u>1,602,869</u>	<u>1,768,295</u>

## 15. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Cash at bank and in hand	<u>1,667,718</u>	<u>1,024,715</u>	<u>5,159</u>	<u>5,159</u>
	<u>1,667,718</u>	<u>1,024,715</u>	<u>5,159</u>	<u>5,159</u>

## 16. TRADE AND OTHER PAYABLES: CURRENT LIABILITIES

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Accruals and deferred income	1,177,532	540,775	50,230	9,000
Trade payables	633,438	226,889	-	-
Deferred tax	44,054	44,054	-	-
Taxation and social security	104,520	87,354	2,037	2,037
Other payables	<u>51,510</u>	<u>39,297</u>	<u>-</u>	<u>-</u>
	<u>2,011,054</u>	<u>938,369</u>	<u>52,267</u>	<u>11,037</u>

The deferred tax liability relates to accelerated capital allowances, there was no deferred tax charge recognised during the year.

## 17. PAYABLES: NON-CURRENT LIABILITIES

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Non-bank loan/revolving credit facility	1,053,036	1,000,000	1,000,000	1,000,000
Other payables	<u>390,992</u>	<u>436,000</u>	<u>-</u>	<u>-</u>
	<u>1,444,028</u>	<u>1,436,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

The non-bank loan was repaid in 2021 and a new revolving credit facility obtained with a repayment date in 2024, unless extended by mutual agreement. It is secured by way of a fixed and floating charge over the assets of the Company and its fellow Group undertakings who are providing guarantees.

**THAT'S MEDIA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)****18. SHARE CAPITAL AND RESERVES**

Company	Allotted, called up and fully paid			
	2022 Number	2022 £	2021 Number	2021 £
Ordinary shares of £0.01 each	7,463,287	74,633	7,394,120	73,941

During the year the Company issued 69,167 shares (2021: Nil). 29,167 of these shares were issued under the Government's enterprise investment scheme for an aggregate consideration of £100,000.

**Share capital**

Share capital is the amount subscribed for shares at nominal value.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**Retained earnings**

Retained earnings represents cumulative net gain and losses recognized in profit or loss account.

**Share premium**

Share premium represents the amounts subscribed for share capital in excess of nominal value.

**Revaluation reserve**

This represents the cumulative revaluation gains and losses recognized in respect of property, plant and equipment.

**19. CONTROLLING PARTY**

The director, D Cass, controls the Company by virtue of his majority shareholding.

**20. FINANCIAL & CAPITAL RISK MANAGEMENT**

The Group holds and uses financial instruments to finance its operations and to manage its interest rate and liquidity risks. The Group primarily finances its operations using share capital, revenue and borrowings.

**(a) Capital risk**

The Group monitors its level of capital which comprises all components of equity.

The Group's objective when maintaining capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group is not subject to any externally imposed capital requirements as at 31 December 2022.

**THAT'S MEDIA LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

**20. FINANCIAL & CAPITAL RISK MANAGEMENT – continued**

**(b) Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Management monitors the Group's liquidity reserve, comprising cash and cash equivalents on the basis of expected cash flows.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

**Group**

	<b>On demand or less than 1 year £</b>	<b>Between 1 - 5 years £</b>
As at 31 December 2021		
Trade and other payables	938,369	390,992
Loan and borrowings	-	-
	<u>938,369</u>	<u>390,992</u>
As at 31 December 2022		
Trade and other payables	1,876,769	390,992
Loan and borrowings	-	1,053,036
	<u>1,876,769</u>	<u>1,444,028</u>

**(c) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The carrying amounts of trade and other receivables and cash and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets (other than any potential debt recovery costs). No other financial assets carry a significant exposure to credit risk.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instruments presented on the balance sheet.

Cash and bank balances, including fixed deposits, are placed with reputable financial institutions.

**(d) Interest rate risk**

The Group obtains additional financing from time-to-time through bank or other borrowings (interest bearing). The Group's general aim is to obtain the most favourable interest rates available. The Group monitors its interest rate risk and does not utilise interest rate swap or other arrangements for trading or speculative purposes. As at 31 December 2022, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding. Summary quantitative data of the Group's interest-bearing financial instruments can be found in part (b) of this note.

The Group is not exposed to the significant interest rate risks which are usually associated with floating rates as it has fixed rates of interest-bearing liabilities at the period end. However, the bank borrowings are for a limited term and the fixed rates are subject to repricing upon refinancing or renewal. The other financial instruments of the Group are not subject to interest rate risks.



**THAT'S MEDIA LIMITED**

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

**20. FINANCIAL & CAPITAL RISK MANAGEMENT – continued**

**(e) Foreign exchange risk**

Foreign exchange risk is a risk of a change in the Group's cash flows due to a change in foreign currency exchange rate. The vast majority of the Group's income and expenditure is in pound sterling and therefore the Group's exposure to foreign exchange risk is regarded by the Board as limited.

**21. FINANCIAL INSTRUMENTS**

	Classification under IFRS 9	Carrying amount as at 31 December 2022 £	Carrying amount as at 31 December 2021 £
<b>Financial assets</b>			
Trade receivables	Amortised cost	44,786	171,599
Other receivables	Amortised cost	135,050	30,630
Cash and cash equivalents	Amortised cost	<u>1,667,718</u>	<u>1,024,715</u>
		<u>1,847,554</u>	<u>1,226,944</u>
<b>Financial liabilities</b>			
Borrowings	Amortised cost	1,053,036	1,000,000
Trade payables	Amortised cost	633,438	226,889
Other payables	Amortised cost	<u>414,768</u>	<u>459,776</u>
		<u>2,101,242</u>	<u>1,686,665</u>

**Fair value hierarchy**

All the financial assets and financial liabilities recognised in the financial statements are shown at the carrying value which also approximates the fair values of those financial instruments. Therefore, no separate disclosure for fair value hierarchy is required.

**22. RELATED PARTY TRANSACTIONS**

*Directors*

Included in other payables within non-current liabilities is a balance of £373,992 (2021: £419,000) due to the Directors in respect of interest free loans.

*Companies controlled by the directors*

During the year the Group paid a total of £316,667 for services provided by related companies of directors (2021: £215,604). The fees are included in administrative expenses within the consolidated income statements. At 31 December 2022 the balance due to the related companies was £200,000 (2021: 48,000).

*Intra-Group*

Certain Group companies apply management charges to certain other Group companies. Outstanding intra-Group loans are unsecured. As explained in note 2, intra-Group transactions and debts are eliminated in the consolidation.

*Comux UK Ltd (Comux)*

The Group is entitled to receive certain DTT transmission services from Comux, the multiplex operator co-owned by local TV licensees, and to be charged for these services at no more than net operating cost (as defined in statute). The Group is also entitled to receive certain payments duly made by Comux in accordance with its articles of association and applicable laws. The Board therefore considers that these transactions reflect the market conditions in which the local TV sector operates.

**THAT'S MEDIA LIMITED**

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
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**23. GOING CONCERN**

The consolidated balance sheet at 31 December 2022 shows net assets of £3,671,706 (2021: £2,297,348).

The Directors believe that the Group as currently constituted will have sufficient liquid resources to meet its day to day working capital requirements for at least 12 months.

In accordance with the Group's going concern policy, and after making appropriate inquiries, the Directors have concluded that it is appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would arise if the going concern basis of preparation were to become no longer appropriate.

**24. POST-BALANCE SHEET EVENTS**

Post-balance sheet events are referred to in the Chairman's Statement.