REGISTERED NUMBER: 03298917 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

FOR

TORPEDO FACTORY GROUP LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

COMPANY INFORMATION
FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

DIRECTORS:	N Clark J-D Papworth K G McCullagh F W Jenner FCCA
SECRETARY:	F W Jenner FCCA
REGISTERED OFFICE:	The Old Torpedo Factory St Leonard's Road London NW10 6ST
REGISTERED NUMBER:	03298917 (England and Wales)
SENIOR STATUTORY AUDITOR:	Robert Booty ACA FCCA CTA
AUDITORS:	Wheelers Chartered Accountants, Tax Consultants & Statutory Auditors 27-29 Old Market Wisbech Cambridgeshire PE13 1NE
BANKERS:	Natwest Bank Plc 166 Camden High Street London NW1 0NW

GROUP STRATEGIC REPORT
FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

The directors present their strategic report of the company and the group for the period ended 30 June 2021.

Mission
The Group's mission is to enable its clients to wow their audiences by creating high quality audio visual and staging technology in theatres, events and presentation spaces.

Principal Activity
Torpedo Factory Group is a technical services business operating in three sectors:

Stage Technology: We create performance spaces with real impact, from the largest theatre projects in the UK and beyond to drama spaces for schools and colleges.

Meeting Environments: We design install and maintain high quality systems that are technologically powerful, yet simple and welcoming to the end user.

Live Events: We provide the technology to deliver live events, both within the venue and streamed live to the wider world.

We have strong asset backing, owning the freehold of our Head Office in West London.

Review of period
Our previous accounts covered the year to 31 December 2019 and were signed on 1 July 2020 when the coronavirus pandemic was in its early stages. It was impossible at that time to predict the duration of the pandemic and the extent of its likely impact on our business. In the event, Covid-19 related restrictions were still in place at the time of the company's expected year end of 31 December 2020, and the directors took the decision to extend the accounting period to 30 June 2021. These financial statements therefore cover the 18-month period ending 30 June 2021.

This report customarily includes a review of Key Performance Indicators with reference to the prior year. However, the extension of the financial year end, combined with the legal restrictions on operating our businesses including a complete ban on most live events for much of the period under review, makes a comparison with 2019 meaningless. As set out below, each of the company's businesses were lossmaking in the period despite drawing on support from Government schemes, primarily the Coronavirus Job Retention Scheme and the Coronavirus Business Interruption Loan Scheme.

The latter scheme in particular provided us with strong liquidity that enabled the Group to retain the majority of its employees, weather the imposed restrictions on demand, terminate its invoice discounting arrangement and ensure adequate funding for business recovery and rebuilding. The Group's strong cash balances have also enabled the business to recover quickly as coronavirus moves from being a pandemic to a milder more endemic disease and the economy reopens. We were also able to make gains from a portion of the reserve cash balance used to make certain stock market investments, the profit from which partially offset the effect of losses from the Group's trading subsidiaries.

Divisional Analysis - Stage Technology
Based in Greater Manchester with a satellite office in Bicester, the Group's Stage Technology business installs and maintains lighting, sound and control equipment in performance spaces throughout the UK, from major theatres to the halls and drama studios of the country's finest schools and universities. The business was badly affected by the pandemic, in particular the closure of theatres and the need for educational establishments to focus on distance learning. Consequently the business traded at a loss for the period. However, sizeable orders were received during the period, including the Group's largest ever single contract, for delivery in 2022 and 2023.

Divisional Analysis - Meeting Environments
The Group's Meeting Environments business covers the design, installation and maintenance of audio visual systems for corporate and public sector clients, primarily in London and other major cities throughout the UK and Europe.

In common with other construction-related activities, as a systems integrator the Meeting Environments business remained open during the pandemic. However, with clients primarily working remotely and reviewing their office strategy, decisions were deferred and orders and revenues were significantly impacted. Additionally, the increased costs of social distancing and other measures to keep our staff and clients safe meant that margins were also reduced. For these reasons the Meeting Environments business, although now recovering, was lossmaking during the period.

Towards the end of the period under review, the company strengthened the management of this business to enable more effective performance. This has also freed up time for the directors operating across the Group to explore new strategies for profitable growth as noted in the Outlook section below.

Divisional Analysis - Live and Hybrid Events
During the period under review, the restrictions of the Covid-19 pandemic effectively closed the market for business conferences that TFG's Live Events team normally support. The business adapted to facilitate online conferences where appropriate, and as restrictions lifted and business began to return, customers now generally incorporate an online component as an integrated part of our live event services.

Due to a major reduction in revenues in the Live Events business, despite extensive furloughing of staff, we needed to carry out a restructuring of the team to adjust the skillsets and ensure the business had a sustainable number of staff members. As part of this we closed our Farnham site due to inability to operate it and lack of support from the landlord.

Outlook
The current financial year to 30 June 2022 is seeing an improvement in the Group's trading position. The Stage Technology business is profitable in the current year. The Meeting Environments business has been lossmaking, in part due to supply chain constraints making it hard to fulfil orders. There is a strong pipeline and profits are expected in the final quarter (April to June 2022) and beyond. Live Events saw a strong recovery in the autumn of 2021 before the omicron variant caused further restrictions. Business levels are again looking promising, with a profitable final quarter expected and a good year ahead in prospect.

As more fully set out in note 29 to the accounts, "Events After the Reporting Period", the Group disposed of its investment in Ortana Media Group Ltd ("Ortana") on 31 March 2022 as part of a trade sale. Pursuant to the terms of the disposal the Group's Chief Executive has resigned as non-executive chairman of Ortana, and the Group's Finance Director has resigned from a similar role at Ortana. The cash receipt of approximately £1m represents a substantial return on the investment we made in 2019 and shows the ability of the Group's management to add value to carefully selected strategic investments. We wish Ortana and its new owners every success.

The Group board is now considering how best to deploy the proceeds of the Ortana disposal. Historically the Group has made acquisitions within its current core activities, and there are an unusually high number of opportunities in these areas. However, we believe there are attractive potential investments in Smart Buildings and the Internet of Things (IoT). As the use of office and meeting spaces changes post pandemic, we foresee outstanding growth in smart office technology, using networked sensors to monitor and adapt the working environment to suit users, reduce carbon footprints, and boost productivity and wellbeing. We are proposing a project to transform our own building to act as a training facility and demonstration suite, and have been awarded a significant grant on Innovate UK terms to support this project.

Principal Risks and Uncertainties
The primary uncertainties are the pace of recovery from the pandemic and the dangers of escalation of the conflict in eastern Europe. More immediately, supply chain constraints and inflationary pressures are creating risks around project delivery and margins in Meeting Environments. At present the Group is confident it can manage these risks adequately and take appropriate mitigation steps where possible.

ON BEHALF OF THE BOARD:

N Clark - Director

31 March 2022

REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

The directors present their report with the financial statements of the company and the group for the period 1 January 2020 to 30 June 2021.

DIVIDENDS
No dividend was paid or proposed for the period ended 30 June 2021.

EVENTS SINCE THE END OF THE PERIOD
Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

N Clark
J-D Papworth
K G McCullagh
F W Jenner FCCA

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

AUDITORS
In accordance with Section 487(2) of the Companies Act 2006 the auditors, Wheelers, are deemed to have been re-appointed.

ON BEHALF OF THE BOARD:

F W Jenner FCCA - Secretary

31 March 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TORPEDO FACTORY GROUP LIMITED

Opinion

We have audited the financial statements of Torpedo Factory Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 June 2021 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with IFRSs in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's and the parent company's ability to continue as a going concern for a period of at least twelve 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TORPEDO FACTORY GROUP LIMITED

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The primary responsibility for the prevention and detection of fraud rests with the directors.
We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are:

- Those that relate to the reporting framework (International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006).

- Relevant tax compliance regulations in the United Kingdom.

- In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements; and

- Laws and regulations relating to health and safety, employee matters and the environment.

We understood how Torpedo Factory Group Limited is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by discussion with management and our prior knowledge of the group's activities and controls. We have carried out procedures including a review of journal entries and a review of accounting estimates and judgements which were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Based on this understanding we designed audit procedures to identify non-compliance with such laws and regulations. Our procedures involved management enquiries, review of minutes and journal entry testing.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TORPEDO FACTORY GROUP LIMITED

Use of our report

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

Robert Booty ACA FCCA CTA (Senior Statutory Auditor)
for and on behalf of Wheelers
Chartered Accountants, Tax Consultants
& Statutory Auditors
27-29 Old Market
Wisbech
Cambridgeshire
PE13 1NE

31 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

	Notes	Period 1.1.20 to 30.6.21 £	Year ended 31.12.19 £
CONTINUING OPERATIONS			
Revenue	4	7,733,366	9,095,270
Cost of sales		(4,175,292)	(4,707,098)
GROSS PROFIT		3,558,074	4,388,172
Other operating income		1,446,875	60,000
Distribution costs		(254,895)	(313,696)
Administrative expenses		(5,092,998)	(3,522,292)
OPERATING (LOSS)/PROFIT		(342,944)	612,184
Finance costs	6	(127,197)	(97,047)
Finance income	6	230,350	35,412
Share of loss of associates		(3,819)	(1,978)
(LOSS)/PROFIT BEFORE INCOME TAX	7	(243,610)	548,571
Income tax	8	(1,041)	18,826
(LOSS)/PROFIT FOR THE PERIOD		(244,651)	567,397
(Loss)/profit attributable to:			
Owners of the parent		(244,651)	567,397

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

	Period 1.1.20 to 30.6.21 £	Year ended 31.12.19 £
(LOSS)/PROFIT FOR THE PERIOD	(244,651)	567,397
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Deferred tax movement on revaluation	(13,300)	(10,618)
Revaluation of investment property	70,000	-
Income tax relating to items that will not be reclassified to profit or loss	-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	56,700	(10,618)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(187,951)	556,779
Total comprehensive income attributable to:		
Owners of the parent	(187,951)	556,779

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2021

	Notes	30.6.21 £	31.12.19 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	679,182	676,759
Owned			
Intangible assets	11	98,403	40,418
Property, plant and equipment	12	3,169,597	3,101,942
Investment property	13	-	-
Right-of-use			
Property, plant and equipment	12, 23	-	127,772
Investment in associates	14	-	3,819
Investments	14	224,530	-
Loans and other financial assets	15	349,438	124,813
Trade and other receivables	17	2,417	8,633
		4,523,567	4,084,156
CURRENT ASSETS			
Inventories	16	114,223	288,151
Trade and other receivables	17	1,326,717	1,917,576
Tax receivable		-	28,726
Cash and cash equivalents	18	1,114,498	638,694
		2,555,438	2,873,147
TOTAL ASSETS		7,079,005	6,957,303
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	19	140,289	140,289
Share premium	20	227,488	227,488
Revaluation reserve	20	1,380,081	1,310,858
Retained earnings	20	503,402	760,576
TOTAL EQUITY		2,251,260	2,439,211
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	22	2,929,798	1,592,804
Deferred tax	24	125,112	110,770
		3,054,910	1,703,574
CURRENT LIABILITIES			
Trade and other payables	21	1,375,897	2,023,056
Financial liabilities - borrowings			
Interest bearing loans and borrowings	22	396,938	791,462
		1,772,835	2,814,518
TOTAL LIABILITIES		4,827,745	4,518,092
TOTAL EQUITY AND LIABILITIES		7,079,005	6,957,303

The notes form part of these financial statements

continued...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
30 JUNE 2021

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2022 and were signed on its behalf by:

F W Jenner FCCA - Director

N Clark - Director

COMPANY STATEMENT OF FINANCIAL POSITION
30 JUNE 2021

	Notes	30.6.21 £	31.12.19 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	-	-
Owned			
Intangible assets	11	12,923	12,923
Property, plant and equipment	12	-	-
Investment property	13	3,020,000	2,950,000
Right-of-use			
Investment in associates	14	-	3,819
Investments	14	868,551	644,021
Loans and other financial assets	15	349,438	124,813
Trade and other receivables	17	252,417	158,633
		4,503,329	3,894,209
CURRENT ASSETS			
Trade and other receivables	17	728,779	92,219
Cash and cash equivalents	18	79,701	2,469
		808,480	94,688
TOTAL ASSETS		5,311,809	3,988,897
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	19	140,289	140,289
Share premium	20	227,488	227,488
Revaluation reserve	20	1,079,890	1,010,667
Retained earnings	20	221,928	(132,334)
TOTAL EQUITY		1,669,595	1,246,110
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	22	2,929,798	1,544,864
Deferred tax	24	117,112	100,870
		3,046,910	1,645,734
CURRENT LIABILITIES			
Trade and other payables	21	198,366	1,029,899
Financial liabilities - borrowings			
Interest bearing loans and borrowings	22	396,938	67,154
		595,304	1,097,053
TOTAL LIABILITIES		3,642,214	2,742,787
TOTAL EQUITY AND LIABILITIES		5,311,809	3,988,897

The notes form part of these financial statements

continued...

COMPANY STATEMENT OF FINANCIAL POSITION - continued
30 JUNE 2021

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2022 and were signed on its behalf by:

F W Jenner FCCA - Director

N Clark - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2019	140,289	193,179	227,488	1,321,476	1,882,432
Changes in equity					
Total comprehensive income	-	567,397	-	(10,618)	556,779
Balance at 31 December 2019	140,289	760,576	227,488	1,310,858	2,439,211
Changes in equity					
Total comprehensive income	-	(244,651)	-	56,700	(187,951)
Transfer	-	(12,523)	-	12,523	-
Balance at 30 June 2021	140,289	503,402	227,488	1,380,081	2,251,260

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2019	140,289	(140,321)	227,488	1,021,285	1,248,741
Changes in equity					
Total comprehensive income	-	7,987	-	(10,618)	(2,631)
Balance at 31 December 2019	140,289	(132,334)	227,488	1,010,667	1,246,110
Changes in equity					
Total comprehensive income	-	366,785	-	56,700	423,485
Transfer	-	(12,523)	-	12,523	-
Balance at 30 June 2021	140,289	221,928	227,488	1,079,890	1,669,595

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

	Notes	Period 1.1.20 to 30.6.21 £	Year ended 31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	(2,168,903)	798,306
Interest paid		(63,136)	(81,769)
Lease interest paid		(1,860)	(11,134)
Finance costs paid		(6,216)	(4,144)
Tax paid		28,726	156,042
Government grants		1,291,526	-
Net cash from operating activities		(919,863)	857,301
Cash flows from investing activities			
Purchase of goodwill		(2,423)	-
Purchase of intangible fixed assets		(66,903)	-
Purchase of tangible fixed assets		(104,838)	(97,877)
Purchase of fixed asset investments		(444,327)	(101,570)
Sale of tangible fixed assets		1,675	4,695
Sale of fixed asset investments		390,870	-
Interest received		-	6,372
Net cash from investing activities		(225,946)	(188,380)
Cash flows from financing activities			
Capital repaid on loans		(35,283)	(65,552)
New loans received		1,750,000	-
Payment of lease liabilities		(87,491)	(83,587)
Amount introduced by directors		71,623	191,943
Repayments on director's loan		(77,236)	(436,250)
Net cash from financing activities		1,621,613	(393,446)
Increase in cash and cash equivalents		475,804	275,475
Cash and cash equivalents at beginning of period	2	638,694	363,219
Cash and cash equivalents at end of period	2	1,114,498	638,694

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2021

1. **RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
(Loss)/profit before income tax	(243,610)	548,571
Depreciation charges	202,797	156,786
Loss on disposal of fixed assets	5,078	12,549
Government grants	(1,347,509)	-
Finance costs	127,197	97,047
Finance income	(230,350)	(35,412)
	(1,486,397)	779,541
Share of loss of associates	3,819	1,978
Decrease/(increase) in inventories	173,928	(92,804)
Decrease/(increase) in trade and other receivables	439,604	(389,518)
(Decrease)/increase in trade and other payables	(1,299,857)	499,109
Cash generated from operations	(2,168,903)	798,306

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 30 June 2021

	30.6.21	1.1.20
	£	£
Cash and cash equivalents	1,114,498	638,694

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	638,694	363,219

1. STATUTORY INFORMATION

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

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Group Strategic Report on pages 2 to 3.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern.

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation
The consolidated financial statements include the company its subsidiaries and associates. Intra group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

Associates
Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

New and revised accounting standards
The Company applied for the first-time certain standards and amendments, which are effective for periods beginning on or after 1 January 2020, the effect of which have not had an impact on the financial statements of the Company and, hence, have not been disclosed.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The effect of new and amended Standards and interpretations which are in issue but not yet mandatorily effective is not expected to be material.

Revenue recognition
Revenue represents net invoiced sales of goods and services excluding Value Added Tax. Revenue is recognised when the goods or services are provided, subject to the company's specific revenue recognition policy for services rendered detailed below.

Maintenance contracts, consultancy and revenue arising from contracts for the design, supply and installation of audio visual systems to which there is a contractual commitment at the balance sheet date are treated as long term contracts. Profit on these contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Revenue is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

continued...

2. ACCOUNTING POLICIES - continued

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiary at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment charge is recognised in administrative expenses within the statement of comprehensive income in the year in which it occurs. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Intangible assets

In accordance with IAS 38 Intangible Assets, patents, licences, domain names and website development costs are capitalised as intangible assets.

Each acquisition is assessed individually in order to determine the estimated useful life of the patents and licences. Where the patents and licences are regarded as having a limited useful life, they are amortised through the statement of comprehensive income. Where the patents and licences are considered to have an infinite useful life, they are not amortised. In such cases, annual impairment reviews are carried out in accordance with IAS 36 Impairment of assets, by discounting estimated future cash flows from the individual patents and licences concerned, at an appropriate discount rate. The value of patents and licences is then adjusted to its recoverable amount if required.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 20% on cost, 33% on cost and 50% on cost
Motor vehicles	- 25% on reducing balance

The freehold property was revalued on 30 June 2021 in accordance with IAS 16, and the directors review the carrying value annually.

Invoice discounting

Amounts due in respect of invoice discounting are separately disclosed as borrowings. The company can use these facilities to draw down a percentage of the value of certain sales invoices. The management and collection of trade receivables remains with the company.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial instruments are accounted for according to the requirements of IFRS 9 Financial Instruments, Recognition and Measurement.

Investments

Investments are designated as valued at fair value through profit or loss upon acquisition and are measured at subsequent reporting dates at fair value in-line with IFRS 9.

The listed investments are traded in an active market, therefore the unadjusted quoted prices as at the period end date are used to determine the fair value of the investments.

Unlisted investments are carried at cost, as an approximation of the fair value, unless any indications exist to suggest a material difference in the value of the investments as at the reporting date.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

continued...

2. ACCOUNTING POLICIES - continued

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

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

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

Leases
The company applies IFRS 16 Leases. Accordingly leases are all accounted for in the same manner:
- A right of use asset and lease liability is recognised on the statement of financial position, initially measured at the present value of future lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities are recognised in the statement of comprehensive income;
- The total amount of cash paid is recognised in the statement of cash flows, split between payments of principal (within financing activities) and interest (within operating activities).

The initial measurement of the right of use asset and lease liability takes into account the value of lease incentives such as rent free periods.

The costs of leases of low value items and those with a short term at inception are recognised as incurred.

Employee benefit costs
The group operates a defined contribution pension scheme. Contributions payable are charged to the profit and loss account as they fall due.

Cash and cash equivalents
Cash and cash equivalents comprise of cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the statement of cash flows.

Investment property
The directors have considered the fair value of the investment property of The Old Torpedo Factory, taking into account current rental yields and the market value of similar properties in the area they consider that the fair value is materially different to the depreciated historical cost of the property. As a result of this they have adopted the accounting policy to value investment property at fair value.

Government grants
Government grants are recognised when there is reasonable assurance that the entity will comply with grant conditions that the grant will be received.

continued...

3. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate the present value.

The carrying value of goodwill as at 30 June 2021 was £679,182 (2019 - £676,759) - see Note 10.

Fair value of unlisted investments
The directors have used their judgement in determining whether to value certain unquoted investments at cost as an estimate of fair value. The use of cost as an estimate of fair value is acceptable under IFRS 9 when there is insufficient more recent information available to the directors to measure fair value, and that cost is still deemed an appropriate estimate of fair value.

Impairment of investments
Determining whether investments are impaired requires an estimation of the value in use of the cash generating units to which investments have been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value.

Investments in subsidiaries held as fixed assets are stated at cost less provision for any impairment and have a carrying value as at 30 June 2021 of £644,021 (2019 - £644,021) - see Note 14.

Share based payments
The Group operates an equity settled share option plan.

In determining the fair value of equity settled share based payments and the related charge to the statement of comprehensive income, the Group makes assumptions about the future events and market conditions. Such assumptions reflect market expectations. Further details can be found in Note 30 (Share Based Transactions).

The fair value of the shares or share options granted is recognised over the vesting period to reflect the value of the option awarded to employees. The directors consider that the quantum of the share based payment calculated in accordance with IFRS2 to be immaterial to the Group and the entities involved.

Stock
Stock is stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable direct labour costs. When a stock take is carried out obsolete stock identified is written off to cost of sales. The carrying value of stock at the year end was £114,223 (2019 - £288,151). No provision for stock has been included in the year end accounts as it was deemed that all stock will realise in excess of its carrying value.

continued...

4. REVENUE

Disaggregation of revenue
An analysis of revenue by type is shown below:

	2021	2019
£ £		
Meeting Environments	3,225,691	3,807,977
Stage Technology	3,527,166	3,123,640
Live Events	365,200	1,315,197
Other	615,309	848,456
	7,733,366	9,095,270

Income is recognised when the goods or services are provided subject to the company's specific revenue recognition policy as detailed in the accounting policies. Meeting Environments and Stage Technology income consists of installation, consultancy and maintenance income.

5. EMPLOYEES AND DIRECTORS

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
Wages and salaries	3,844,681	2,601,348
Social security costs	240,486	163,421
Other pension costs	53,711	31,709
	4,138,878	2,796,478

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

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
Staff	68	62
Directors	3	3
	71	65

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
Directors' remuneration	302,943	265,639
Directors' pension contributions to money purchase schemes	6,208	6,632

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2

continued...

5. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
Emoluments etc	108,446	98,129
Pension contributions to money purchase schemes	4,050	2,750

6. NET FINANCE INCOME

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
Finance income:		
Fair value movement on Investments	171,073	-
Interest received	-	17
Interest on taxation	-	20
Interest on other loans	59,208	35,375
Interest on directors' loans	69	-
	230,350	35,412
Finance costs:		
Finance interest charges	11,386	18,556
Bank loan interest	343	-
PAYE interest	183	-
Interest on deferred consideration	692	-
Mortgage interest	50,533	44,612
Interest on other loans	55,985	18,601
Hire purchase interest	659	1,165
Leasing	1,200	9,969
Mortgage and loan arrangement fees	6,216	4,144
	127,197	97,047
Net finance income	103,153	(61,635)

continued...

7. (LOSS)/PROFIT BEFORE INCOME TAX

The loss before income tax (2019 - profit before income tax) is stated after charging:

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
Cost of inventories recognised as expense	4,175,292	4,707,098
Leases	37,562	18,483
Depreciation - owned assets	112,739	72,092
Depreciation - assets on finance leases	81,139	84,692
Loss on disposal of fixed assets	5,078	12,549
Computer software amortisation	8,918	-
Auditors' remuneration - audit fees	13,125	8,250
Auditors' remuneration - audit of subsidiaries	27,500	21,050
Auditors' remuneration - taxation and other	8,193	8,940
Government grants	(1,347,509)	-

8. INCOME TAX

Analysis of tax expense/(income)

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
Current tax:		
Tax	-	(28,726)
Deferred tax	1,041	9,900
Total tax expense/(income) in consolidated statement of profit or loss	1,041	(18,826)

continued...

8. INCOME TAX - continued

Factors affecting the tax expense
The tax assessed for the period is higher (2019 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
(Loss)/profit before income tax	(243,610)	548,571
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(46,286)	104,228
Effects of:		
Expenditure not deductible for tax purposes	5,055	2,373
Dividends not taxable	-	(2,730)
Depreciation in excess of capital allowances	4,984	10,620
Tax losses utilised	(12,879)	(1,893)
Tax losses carried forward	50,167	-
Research and Development Tax Credit claim	-	(140,338)
Difference in tax rate on surrender of losses for R&D tax credit	-	8,914
Tax expense/(income)	1,041	(18,826)

Deferred tax assets totalling £195,968 (2019 - £150,715) have not been recognised in the financial statements as the group is not sufficiently certain that it will be able to recover these assets within a relatively short period of time. Reflected in the total deferred tax asset of £195,968 are tax losses carried forward of £1,008,419 (2019 - £831,629).

9. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the year after tax was £366,785 (2019 - £7,987).

10. GOODWILL

Group

	£
COST	
At 1 January 2020	1,049,369
Additions	2,423
At 30 June 2021	1,051,792
AMORTISATION	
At 1 January 2020 and 30 June 2021	372,610
NET BOOK VALUE	
At 30 June 2021	679,182
At 31 December 2019	676,759

continued...

10. GOODWILL - continued

Company

	£
COST	
At 1 January 2020	
and 30 June 2021	120,000
AMORTISATION	
At 1 January 2020	
and 30 June 2021	120,000
NET BOOK VALUE	
At 30 June 2021	-
At 31 December 2019	-

11. INTANGIBLE ASSETS

Group

	Domain names £	Computer software £	Website development £	Totals £
COST				
At 1 January 2020	20,009	-	20,409	40,418
Additions	-	66,903	-	66,903
At 30 June 2021	20,009	66,903	20,409	107,321
AMORTISATION				
Amortisation for period	-	8,918	-	8,918
At 30 June 2021	-	8,918	-	8,918
NET BOOK VALUE				
At 30 June 2021	20,009	57,985	20,409	98,403
At 31 December 2019	20,009	-	20,409	40,418

Company

	Website development £
COST	
At 1 January 2020	
and 30 June 2021	12,923
NET BOOK VALUE	
At 30 June 2021	12,923
At 31 December 2019	12,923

continued...

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold property	Short leasehold	Plant and machinery	Motor vehicles	Totals
	£	£	£	£	£
COST OR VALUATION					
At 1 January 2020	2,950,000	133,245	1,064,470	224,048	4,371,763
Additions	-	-	41,458	64,276	105,734
Disposals	-	(133,245)	(51,108)	(67,295)	(251,648)
Revaluations	70,000	-	-	-	70,000
At 30 June 2021	3,020,000	-	1,054,820	221,029	4,295,849
DEPRECIATION					
At 1 January 2020	-	44,415	956,630	141,004	1,142,049
Charge for period	-	53,854	74,499	65,525	193,878
Eliminated on disposal	-	(98,269)	(51,102)	(60,304)	(209,675)
At 30 June 2021	-	-	980,027	146,225	1,126,252
NET BOOK VALUE					
At 30 June 2021	3,020,000	-	74,793	74,804	3,169,597
At 31 December 2019	2,950,000	88,830	107,840	83,044	3,229,714

Cost or valuation at 30 June 2021 is represented by:

	Freehold property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
Valuation in 2021	3,020,000	-	-	3,020,000
Cost	-	1,054,820	221,029	1,275,849
	3,020,000	1,054,820	221,029	4,295,849

If the freehold property had not been revalued it would have been included at the following historical cost:

	30.6.21	31.12.19
	£	£
Cost	1,838,463	1,838,463
Aggregate depreciation	316,810	280,041

Freehold property was valued on an open market basis on 30 July 2021 by Matthews & Goodman LLP .

The directors consider the fair value of the property, as at the reporting date of 30 June 2021, to not be materially different to the valuation provided as at 30 July 2021.

13. INVESTMENT PROPERTY

The freehold property is included within property, plant and equipment (see note 12) in the consolidated accounts and within investment property in the entity accounts.

continued...

14. INVESTMENTS

Group

	Interest in associate £	Listed investments £	Unlisted investments £	Totals £
COST OR VALUATION				
At 1 January 2020	3,819	-	-	3,819
Additions	-	394,327	50,000	444,327
Disposals	-	(390,870)	-	(390,870)
Share of profit/(loss)	(3,819)	-	-	(3,819)
Revaluations	-	171,073	-	171,073
At 30 June 2021	-	174,530	50,000	224,530
NET BOOK VALUE				
At 30 June 2021	-	174,530	50,000	224,530
At 31 December 2019	3,819	-	-	3,819

Company

	Shares in group undertakings £	Interest in associate £	Listed investments £	Unlisted investments £	Totals £
COST OR VALUATION					
At 1 January 2020	844,021	3,819	-	-	847,840
Additions	-	-	394,327	50,000	444,327
Disposals	-	-	(390,870)	-	(390,870)
Revaluations	-	-	171,073	-	171,073
Impairments	-	(3,819)	-	-	(3,819)
At 30 June 2021	844,021	-	174,530	50,000	1,068,551
PROVISIONS					
At 1 January 2020 and 30 June 2021	200,000	-	-	-	200,000
NET BOOK VALUE					
At 30 June 2021	644,021	-	174,530	50,000	868,551
At 31 December 2019	644,021	3,819	-	-	647,840

continued...

14. **INVESTMENTS - continued**

The group owns more than 20% of the issued share capital of the following companies:

Name	Period end	Country of incorporation	Description of shares held	Percentage Holding by group
Subsidiaries of Torpedo Factory Group Limited				
Torpedo Factory Limited	31 December	England	Ordinary £1 shares	100
TFG Stage Technology Ltd	31 December	England	Ordinary £1 shares	100
Gordon Audio Visual Limited	31 December	England	Ordinary £1 shares	100
Orion Audio Visual Limited	31 December	England	Ordinary £1 shares	100
Orion AV Services Limited	28 February	England	Ordinary £1 shares	100
Associates of Torpedo Factory Group Limited				
Ortana Media Group Limited	31 August	England	Ordinary 1p shares	24
Subsidiaries of Torpedo Factory Limited				
Foresight Audio Visual Limited	31 December	England	Ordinary £1 shares	100
Pinnerton Video Systems Limited	31 December	England	Ordinary £1 shares	100
Subsidiaries of TFG Stage Technology Limited				
Sound Systems UK Limited	31 December	England	Ordinary £1 shares	100

The principal activity of Torpedo Factory Limited is the design, supply and installation of audio visual systems, the support and maintenance of those systems, and the provision of audio visual equipment and related technical services for conferences, meetings and events. Aggregate capital and reserves at 30 June 2021 £1,499,723 (2019 - £1,801,679) and loss for the year £301,956 (2019 profit - £448,927).

The principal activity of TFG Stage Technology Limited is the design, supply and installation of stage technology, stage engineering and associated audio visual systems. Aggregate capital and reserves at 30 June 2021 £(248,015) (2019 - £61,465) and loss for the year £309,480 (2019 profit - £110,482).

Foresight Audio Visual Limited was a non-trading company throughout the current and previous period. Aggregate capital and reserves at 30 June 2021 was £15,085 (2019 - £15,085) and profit for the year £Nil (2019 - £Nil).

Gordon Audio Visual Limited was a non-trading company throughout the current and previous period. Aggregate capital and reserves at 30 June 2021 (£6,271) (2019 - (£6,271)) and profit for the year £Nil (2019 - £Nil).

Pinnerton Video Systems Limited was a non-trading company throughout the current and previous period. Aggregate capital and reserves at 30 June 2021 was £104 (2019 - £104) and profit for the year £Nil (2019 - £Nil).

Orion Audio Visual Limited was a non-trading company throughout the current and previous period. Aggregate capital and reserves at 30 June 2021 was £NIL (2019 - £NIL) and profit for the year £Nil (2019 - £Nil).

Orion AV Services Limited was a non-trading company throughout the current and previous period. Aggregate capital and reserves at 30 June 2021 was £10 (2019 - £10) and profit for the year £Nil (2019 - £Nil).

continued...

14. **INVESTMENTS - continued**

Sound Systems UK Limited was a non-trading company throughout the current and previous period. Aggregate capital and reserves at 30 June 2021 was £200 (2019 - £200) and profit for the period was £Nil (2019 - £Nil).

15. **LOANS AND OTHER FINANCIAL ASSETS**

Group

	Loans to associates £
At 1 January 2020	124,813
New in year	349,438
Repayment in year	(173,577)
Other movement	48,764
At 30 June 2021	349,438

15. **LOANS AND OTHER FINANCIAL ASSETS**

Company

	Loans to associates £
At 1 January 2020	124,813
New in year	349,438
Repayment in year	(173,577)
Other movement	48,764
At 30 June 2021	349,438

16. **INVENTORIES**

	Group	
	30.6.21 £	31.12.19 £
Goods for resale	114,223	288,151

In 2021 the cost of inventories recognised as an expense within cost of sales amounted to £Nil (2019 - £62,646) in relation to obsolete stock.

17. **TRADE AND OTHER RECEIVABLES**

	Group		Company	
	30.6.21 £	31.12.19 £	30.6.21 £	31.12.19 £
Current:				
Trade debtors	718,091	1,381,518	-	-
Amounts owed by group undertakings	-	-	721,285	81,591
Amounts recoverable on contracts	281,807	-	-	-
Other debtors	110,261	113,484	3,250	6,484
Directors' current accounts	69	-	69	-
VAT	-	-	31	-
Prepayments and accrued income	216,489	422,574	4,144	4,144
	1,326,717	1,917,576	728,779	92,219

continued...

17. TRADE AND OTHER RECEIVABLES - continued

	Group		Company	
	30.6.21	31.12.19	30.6.21	31.12.19
	£	£	£	£
Non-current:				
Amounts owed by group undertakings	-	-	250,000	150,000
Prepayments and accrued income	2,417	8,633	-	-
	2,417	8,633	250,000	150,000
Aggregate amounts	1,329,134	1,926,209	978,779	242,219

Included in trade debtors for the group at 30 June 2021 is £Nil (2019 - £651,977) being amounts subject to invoice discounting.

Included in prepayments, for both company and group, is £6,561 (2019 - £12,777) in respect of mortgage arrangement fees. These fees have been carried forward in accordance with IAS 39 to be released over the life of the mortgage. £2,417 (2019 - £8,633) is due after more than one year.

Included in prepayments and accrued income is income accrued on installations ongoing at the year end amounting to £Nil (2019 - £51,815).

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.6.21	31.12.19	30.6.21	31.12.19
	£	£	£	£
Cash in hand	222	661	-	-
Bank accounts	1,114,276	638,033	79,701	2,469
	1,114,498	638,694	79,701	2,469

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.21 £	31.12.19 £
2,805,780	Ordinary	5p	140,289	140,289

Fully paid shares carry one vote per share and carry rights to dividends.

continued...

20. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2020	760,576	227,488	1,310,858	2,298,922
Deficit for the period	(244,651)			(244,651)
Revaluation in year	-	-	56,700	56,700
Transfer	(12,523)	-	12,523	-
At 30 June 2021	503,402	227,488	1,380,081	2,110,971

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2020	(132,334)	227,488	1,010,667	1,105,821
Profit for the period	366,785			366,785
Revaluation in year	-	-	56,700	56,700
Transfer	(12,523)	-	12,523	-
At 30 June 2021	221,928	227,488	1,079,890	1,529,306

21. TRADE AND OTHER PAYABLES

	Group		Company	
	30.6.21 £	31.12.19 £	30.6.21 £	31.12.19 £
Current:				
Trade creditors	584,893	804,472	189	5,208
Amounts owed to group undertakings	-	-	-	601,608
Social security and other taxes	70,509	89,126	6,822	8,044
Other creditors	39,364	56,795	340	-
Accruals and deferred income	505,607	673,403	191,015	361,422
Accrued expenses	-	32,831	-	-
Payments on account	18,018	-	-	-
Directors' current accounts	-	5,613	-	-
VAT	157,506	360,816	-	53,617
	1,375,897	2,023,056	198,366	1,029,899

Included in accruals and deferred income is income deferred on maintenance contracts of £206,503 (2019 - £185,926) and deferred income on installations ongoing at the year end amounting to £Nil (2019 - £80,704).

continued...

22. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	30.6.21	31.12.19	30.6.21	31.12.19
	£	£	£	£
Current:				
Bank loans	320,837	651,977	320,837	-
Mortgage	76,101	67,154	76,101	67,154
Leases (see note 23)	-	72,331	-	-
	396,938	791,462	396,938	67,154
Non-current:				
Bank loans	1,429,163	-	1,429,163	-
Mortgage	1,500,635	1,544,864	1,500,635	1,544,864
Leases (see note 23)	-	47,940	-	-
	2,929,798	1,592,804	2,929,798	1,544,864

Terms and debt repayment schedule

Group

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Bank loans	320,837	350,004	1,050,012	29,147	1,750,000
Mortgage	76,101	1,500,635	-	-	1,576,736
	396,938	1,850,639	1,050,012	29,147	3,326,736

Company

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Bank loans	320,837	350,004	1,050,012	29,147	1,750,000
Mortgage	76,101	1,500,635	-	-	1,576,736
	396,938	1,850,639	1,050,012	29,147	3,326,736

Finance leases and hire purchase contracts typically have a three year term and bear interest fixed at the time of commitment. The obligations under finance leases are secured by the lessor's title to the leased asset.

Included within bank loans is the invoice discounting facility amounting to £Nil (2019: £651,977) which is secured by way of a debenture and a personal guarantee from one director limited to £45,000.

The mortgage amounting to £1,576,736 and the bank loan amounting to £1,750,000 at 30 June 2021 is secured by way of a first legal charge over freehold property, a debenture and cross guarantee from Torpedo Factory Limited and TFG Stage Technology Limited.

continued...

23. LEASING

Group
Right-of-use assets

Property, plant and equipment

	30.6.21	31.12.19
	£	£
COST		
At 1 January 2020	211,937	85,010
Additions	-	176,090
Disposals	(176,090)	-
Transfer to ownership	(35,847)	(49,163)
	-	211,937
DEPRECIATION		
At 1 January 2020	84,165	48,635
Charge for year	81,139	84,692
Eliminated on disposal	(141,114)	-
Transfer to ownership	(24,190)	(49,162)
	-	84,165
NET BOOK VALUE	-	127,772

Group
Other leases

	Period 1.1.20 to 30.6.21	Year ended 31.12.19
	£	£
Short-term leases	37,562	18,483

Following the expiry of the lease term on the commercial building leased by TFG Stage Technology Limited, the company has remained in occupation on a holdover basis. As a result there is an ongoing commitment of one quarter's notice which equates to £6,600.

continued...

23. LEASING - continued

Group
Lease liabilities

Minimum lease payments fall due as follows:

	30.6.21	31.12.19
	£	£
Gross obligations repayable:		
Within one year	-	77,932
Between one and five years	-	50,835
	-	128,767
Finance charges repayable:		
Within one year	-	5,601
Between one and five years	-	2,895
	-	8,496
Net obligations repayable:		
Within one year	-	72,331
Between one and five years	-	47,940
	-	120,271

24. DEFERRED TAX

Group

	30.6.21	31.12.19
	£	£
Balance at 1 January	110,770	90,252
Accelerated capital allowances	5,192	-
Provided/(utilised)	-	9,900
Tax on unrealised gains	16,242	10,618
Trading losses carried forward	(7,092)	-
Balance at 30 June	125,112	110,770

Company

	30.6.21	31.12.19
	£	£
Balance at 1 January	100,870	90,252
Movement during the year	16,242	10,618
Balance at 30 June	117,112	100,870

25. CONTINGENT LIABILITIES

The company has provided an unlimited cross guarantee and debenture to National Westminster Bank plc, for liabilities arising in Torpedo Factory Limited and TFG Stage Technology Limited. The contingent liability at 30 June 2021 was £Nil (2019 - £Nil).

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26. OTHER FINANCIAL COMMITMENTS

The Group has entered into a three year support contract relating to the new accounting software acquired during the period. At the balance sheet date the contract had 27 months remaining, with monthly support fees of $5,200.

27. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At 30 June 2021 overdrawn directors' loan accounts totalled £69 (2019 - £Nil).

28. RELATED PARTY DISCLOSURES

During the year, the group charged rent and other services to Ortana Media Group Limited, an associate of the group totalling £94,374 (2019 - £62,916). The amount due from Ortana Media Group Limited to the group as at 30 June 2021 was £10,000 (2019 - £113,333).

29. EVENTS AFTER THE REPORTING PERIOD

Ortana Media Group Ltd ("Ortana") is a software company which occupies part of the Group's freehold property in West London. In 2019 the Group acquired 24.39% of the equity of Ortana, and loan notes with a nominal value of £173,577. Two directors of the Group joined the board of Ortana.

On 30 June 2021 Ortana issued a new series of loan notes. This restructured its old loan notes and settled various other liabilities, including accrued interest on the old notes and rent liabilities to the Group's subsidiary Torpedo Factory Ltd. As part of this restructuring the Group received new loan notes with a nominal value of £349,438, with interest payable quarterly.

In October 2021 the Group's equity stake in Ortana was diluted to 19.17% when Ortana received an investment of £724,591 from a subsidiary of Iyuno-SDI, the world's largest media content localisation business. Iyuno-SDI required certain Ortana shareholders including the Group to provide an option giving Iyuno-SDI the right to acquire those shareholders' equity in Ortana.

On 17 March 2022 Iyuno-SDI served notice on the Group that it wished to exercise its option.

In accordance with the terms of the option, on 31 March 2022 the two directors of the Group resigned from the Ortana board, and the Group received a total of £998,998 from the disposal of its interest in Ortana. This comprised £649,560 from Iyuno-SDI as consideration for the sale of its shares in Ortana, and £349,438 from Ortana due to the early redemption of the loan notes.

30. SHARE-BASED PAYMENT TRANSACTIONS

Under the Company Share Option Plan (CSOP), share options of the parent are offered to all employees of the Group with more than twelve months' service and certain other employees. The exercise price of the share options is equal to the market price of the underlying shares at the date of the grant. The share options vest from the third anniversary of the date of grant and last a maximum of ten years.

No options were granted during the year ended 30 June 2021 (2019 - NIL). The directors consider that the quantum of the share based payment calculated in accordance with IFRS2 to be immaterial to the Group and the entities involved.

The current unvested options in the Group can be summarised as follows:-

	Exercise Price	Issued	Lapsed	Outstanding Options at 30 June 2021
2015	30p	329,500	(117,500)	212,000
2016	36p	194,500	(135,000)	59,500
2017	45p	128,000	(40,000)	88,000

continued...

31. CONTROLLING PARTY

There is no ultimate controlling party.