

YouView TV Limited

**Strategic report, Directors' report and financial
statements**

Registered number 7308805

31 March 2018



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Strategic report

The directors present their strategic report on YouView TV Limited ('the Company') for the period ended 31 March 2018.

Fair Review of the Business

The Company's principal activity is the development of software to provide TV platform services.

These services comprise the provision of live television channels, on demand content and web-based services. Since the product was launched in July 2012, the services available to the viewer have expanded to include more content, together with iOS and Android mobile applications which offer a TV guide and the option to remote record TV programmes. A subscription based model is now available through Internet Service providers providing an upgrade path for those who wish to further enhance their viewing experience.

Platform distribution has continued to grow, with approximately 3.0 million connected UK homes regularly using the service since its launch.

The directors expect to continue with the current activities of the Company with continued support from its shareholders.

Key performance indicators

Revenue

The revenue for the period was £11,985,252 for 2018 (2017: £13,331,377)

Innovation

The company's investment in innovation was £16,990,987 in 2018 (2017: £16,071,398). This reflects our continued commitment to an ongoing programme of technology innovation improving customer experience.

Principles risks and uncertainties

The company regularly monitors the major risks to the business through its Risk Committee and reports those risks on a quarterly basis to the Board members.

Potential Risk

Mitigating Factor

Cyber Attack

There is a sustained cyber/viral attack causing prolonged system denial or major reputational damage, for example the ability to broadcast programmes from the EPG or VOD players.

YouView security teams continually evolve technical and procedural controls to harden YouView's security posture with industry best practice. These controls include perimeter protections; 24x7 security monitoring, alerting and operations; external specialist partners; cyber insurance; and risk management through a Security Steering Group.

GDPR Compliance

We have developed a GDPR compliance programme which will ensure YouView continues to remain compliant with privacy law and in particular GDPR.

System outages could impact on business operations

We continually review the systems which are hosted on premises and in the cloud to ensure the effect of any system outage is mitigated and we continue to mitigate the impact of any system outages through our business continuity plan and process.

Loss of revenues from customers leaving the YouView platform

Churn off the platform is historically very low but the company is continually engaged with prospective partners to increase revenue coming in to the business

Results

31 March 2018

The statement of comprehensive income for the period is set out on page 8. The net loss after tax for the period was £7,345,013.57 for 2018, which has been transferred to reserves (2017: net loss of £22,376,871)

Employees

The Company places emphasis on its employees' involvement in the business at all levels. Managers are remunerated according to results wherever possible and all employees are kept informed of issues affecting the Company through formal and informal meetings and through the Company's newsletter.

It is the Company's policy to assist the employment of disabled people, their training and career development, having regard to particular aptitudes and abilities. Every endeavour is made to find suitable alternative employment and to re-train any employee who becomes disabled while serving the Company.

The Company is committed to equality in every aspect of employment since it is believed to be the foundation for maximising the Company's potential. The Company also believes in the value of diversity, and that different ideas, beliefs and cultural traditions can only add value to the business and people.

By order of the board



Simon Duffy
Chairman

3rd Floor
10 Lower Thames Street
London
EC3R 6YT
5 December 2018

31 March 2018

Directors' report

The directors present their report and financial statements of YouView TV Limited ('the Company') for the period ended 31 March 2018.

Directors

The directors who held office during the period and up to the date of this report are as follows:

S Duffy	Appointed	1 st January 2014
C Swords	Appointed	24 th February 2015
K Clifton	Appointed	10 th November 2014
C Pfeiffer	Appointed	12 th August 2015
R Balestiero	Appointed	26 th August 2015
L Patten	Appointed	22 nd September 2015
A Habdank-Toczyski	Appointed	05 April 2016
J Tatam	Appointed	01 January 2017

Company Secretary

Christina Pettit

The Directors of the company benefitted from third party professional indemnity insurance throughout the year and up to the date of this report.

Going Concern

On their assessment of the Company's current level of activities and the continued funding support from its shareholders, the directors have a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date these financial statements are signed.

These financial statements, have therefore, been prepared on a going concern basis.

Dividends

In accordance with the provisions of Clause 17 of the Shareholders Agreement, if at any point the board considers it reasonably likely that platform income for the financial year will exceed the annual gross cost for the financial year resulting in there being available profits at the end of the financial year, the board shall prepare a draft dividend policy for the company as regards its available profits and shall circulate it to shareholders for their approval.

There will be no dividend distribution following the finalisation of these financial statements.

Political contributions

The Company made no political donations during the period.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

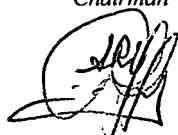
Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Simon Duffy

Chairman



3rd Floor
10 Lower Thames Street
London
EC3R 6YT
5 December 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 of the profit or loss of the company 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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the members of YouView TV Limited

Opinion

We have audited the financial statements of YouView TV Limited ("the company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the [strategic report and the] directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

31 March 2018

Independent Auditor's report to the members of YouView TV Limited (Continued)

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Jeremy Hall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, E14 5GL
5 December 2018

31 March 2018

Statement of Comprehensive Income
for the period from 01 April 2017 to 31 March 2018

	Note	2018 £000	2017 £000
Revenue	2	11,985	13,331
Cost of sales		(23,852)	(26,727)
		—	—
Gross (loss)/profit		(11,867)	(13,396)
Administrative expenses	3	(6,257)	(8,987)
		—	—
Operating loss		(18,124)	(22,383)
Financial income	6	-	6
		—	—
Loss before tax		(18,124)	(22,377)
Tax credit	7	10,779	-
		—	—
Total comprehensive (loss)/income for the period		(7,345)	(22,377)
		==	==

The results stated above have been derived from continuing operations.

The accompanying notes on pages 12 to 23 form an integral part of these financial statements.

31 March 2018

Statement of Financial Position*At 31 March 2018*

	Note	2018 £000	2017 £000
Non-current assets			
Property, plant and equipment	8	125	292
Intangible assets	9	214	-
		<u>339</u>	<u>292</u>
Current assets			
Trade and other receivables	10	3,029	5,236
Corporation Tax Receivable		2,910	-
Cash and cash equivalents		1,965	82
		<u>7,904</u>	<u>5,318</u>
Total assets		<u>8,243</u>	<u>5,610</u>
Current Liabilities			
Trade and other payables	11	(4,235)	(4,392)
Employee benefits	12	(3,299)	(4,093)
		<u>(7,534)</u>	<u>(8,485)</u>
Non-current liabilities			
Long term loan	13	(45,045)	(34,116)
Total non-current liabilities		<u>(45,045)</u>	<u>(34,116)</u>
Total Liabilities		<u>(52,579)</u>	<u>(42,601)</u>
Net liabilities/assets		<u>(44,336)</u>	<u>(36,991)</u>
Equity			
Share capital	14	-	-
Retained (loss)/earnings		(44,336)	(36,991)
Total equity		<u>(44,336)</u>	<u>(36,991)</u>

The accompanying notes on pages 12 to 23 form an integral part of these financial statements.

These financial statements were approved by the board of directors on the 5 December 2018 and were signed on its behalf by

Simon Duffy

Chairman

Company registered number: 7308805

Statement of Changes in Equity
for the period from 1 April 2017 to 31 March 2018

	Share capital £000	Retained earnings £000	Total equity £000
As at 1 April 2017	-	(36,991)	(36,991)
Loss for the year	-	(7,345)	(7,345)
	<hr/>	<hr/>	<hr/>
At 31 March 2018	-	(44,336)	(44,336)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 12 to 23 form an integral part of these financial statements.

Cash Flow Statement

for the period from 1 April 2017 to 31 March 2018

	2018 £000	2017 £000
Cash flows from operating activities		
Loss for the period before tax and interest	(18,124)	(22,383)
Adjustments for:		
Depreciation, amortisation and impairment	297	171
Loss on assets disposed	-	1
	<hr/>	<hr/>
	(17,827)	(22,211)
Decrease/(Increase) in trade and other receivables	2,207	2,665
(Decrease)/ Increase in trade and other payables	(157)	(789)
(Decrease)/Increase in employee benefits	(794)	908
Taxation (paid)/receipt	7,890	-
	<hr/>	<hr/>
	9,146	2,784
	<hr/>	<hr/>
Net cash outflow from operating activities	(8,681)	(19,427)
	<hr/>	<hr/>
Cash flows from investing activities		
Interest received	-	6
Acquisition of property, plant and equipment	(83)	(227)
Disposal of property, plant and equipment	2	8
Acquisition of other intangible assets		
	<hr/>	<hr/>
	(284)	-
	<hr/>	<hr/>
Net cash outflow from investing activities	(365)	(213)
	<hr/>	<hr/>
Cash flows from financing activities		
Dividends paid to shareholders	-	-
Long term borrowing		
	<hr/>	<hr/>
	10,929	19,200
	<hr/>	<hr/>
Net cash inflow from financing activities	10,929	19,200
	<hr/>	<hr/>
Net Increase/(decrease) in cash and cash equivalents	1,883	(440)
Cash and cash equivalents at the beginning of the year of the financial year	82	522
	<hr/>	<hr/>
Cash and cash equivalents at year end	1,965	82
	<hr/>	<hr/>

The accompanying notes on pages 12 to 23 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

YouView TV Limited (the "Company") is a company incorporated and domiciled in the UK. The Company's financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

As stated in the Directors' report, the financial statements have been prepared based on the Directors' assessment of the Company's current level of activities and continued funding support from its shareholders.

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Trade and other receivables

Trade and other receivables are not interest bearing and are stated at their original invoiced value reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables

Trade payables on normal terms are not interest bearing and are stated at original investment amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Plant and equipment - 3 years
- Fixtures and fittings - 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes (continued)

1 Accounting policies (continued)

1.5 Intangible assets

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities and other assets is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs.

Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows

- Software - 3 years

1.6 Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit on a *pro rata* basis.

The impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

1 Accounting policies (continued)

1.7 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.9 Revenue

Revenue is stated net of VAT and other sales related taxes. It comprises platform fees charged to shareholders and other third parties, device fees and amounts recharged to shareholders at a net cost basis (i.e. total costs less long term borrowing less revenues recognised). Revenue for time-based platform fees is recognised over the invoiced contract period. In addition to platform fees, we also recognise (as revenue) any deficit funding that is not covered by the Tier 2 Loan Agreement, this revenue is referred to as Service Fee Revenue. In 2017/18 all deficit funding was accounted as loan funding, consistent with 2016/17.

1.10 Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and expenses

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Rental Payments

Cost is recognised in the income statement on a straight line basis over the entire term of the agreement, with an initial 12 month rent free period incorporated across all years.

1.11 Taxation

Tax on the profit or loss for the period comprises current and deferred tax, as well as tax credits for qualifying research and development (R&D) expenditure, in line with HMRC guidelines. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.13 Future accounting developments

As at 31 March 2018, there have been no accounting standards, amendments and interpretations effective for the first time in these financial statements which have had a material impact on the financial statements.

There are a number of new standards and amendments to existing standards currently in issue but not yet effective, including three significant standards:

- IFRS 9 'Financial instruments';
- IFRS 15 'Revenue from contracts with customers'; and
- IFRS 16 'Leases'.

IFRS 9 and IFRS 15 are now expected to be effective for the year ending 31 December 2018 with IFRS 16 (subject to EU endorsement) expected to be effective for the year ending 31 December 2019. It is not currently practicable to quantify their effect.

IFRS 15 is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principles-based five-step revenue recognition model to be applied to all sales contracts. Our assessment is that we are compliant with this standard and there is no material impact on our total revenue recognised.

There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material impact on the Company.

2. Revenue

	2018 £000	2017 £000
Services fee for funding by shareholders	2,358	2,123
Platform Fees/Device Fees	9,627	11,208
Total Revenue	<u>11,985</u>	<u>13,331</u>

3. Expenses and auditor's remuneration

Included in profit are the following:

	2018 £000	2017 £000
Depreciation and amortisation (Note 8, Note 9)	297	171
Research and development expensed as incurred	16,991	16,071
	<u>17,288</u>	<u>16,242</u>

As set out in note 1.5 YouView TV Limited's accounting policy is to capitalise development costs only where the associated product is technically and commercially feasible and future economic benefits are probable.

The Company is still developing the product and while sales continue as expected, there is not yet sufficient evidence to show that future economic benefits arising from the product will be sufficient to recover the potential capitalised costs within a reasonable time period. We have therefore expensed development costs for this financial year but will continue to assess the position in future periods.

<i>Auditor's remuneration:</i>	2018	2017
	£000	£000
Audit of these financial statements	24	23
Other services relating to taxation	45	67
	<u>69</u>	<u>90</u>

Other services relate to tax services in respect of assistance of preparation of Research & Development submissions.

Notes (continued)

4. Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Number of employees	Number of employees
	2018	2017
Administration	43	44
Research and Development	161	158
	<hr/>	<hr/>
	204	202
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2018 £000	2017 £000
Wages and salaries	15,001	15,010
Social security costs	1,848	1,707
Contributions to defined contribution plans	848	691
	<hr/>	<hr/>
	17,697	17,408
	<hr/>	<hr/>

5. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	225	225
	<hr/>	<hr/>

The aggregate of emoluments of the highest paid director was £225,000.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £ 0 and company pension contributions of £0 were made to a money purchase scheme on his behalf.

6. Finance income

Recognised in the income statement

	2018 £000	2017 £000
Interest income on cash and cash equivalents	-	6
	<hr/>	<hr/>

Notes (continued)

7. Taxation

Recognised in the income statement

	2018 £000	2017 £000
Current tax credit (R&D)		
Current year	2,910	-
Prior year tax credit adjustment	7,869	-
	<hr/>	<hr/>
Current tax expense	10,779	-
	<hr/>	<hr/>
Deferred tax expense	-	-
	<hr/>	<hr/>
Total tax credit	10,779	-
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting current tax charge for the period

The current tax charge for the period is higher as the standard rate of corporation tax in the UK. The differences are explained below.

Reconciliation of effective tax rate

	2018 £000	2017 £000
Profit/(loss) for the period before tax	(18,124)	(22,377)
Trading losses		
	<hr/>	<hr/>
	(18,124)	(22,377)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2017:20%)	(3,444)	(4,475)
Tax losses not carried forward	3,444	4,475
Total tax credit adjustment	10,779	
	<hr/>	<hr/>
Total tax credit	10,779	-
	<hr/> <hr/>	<hr/> <hr/>

The corporation tax rate of 19% reflects the reduction in the rate from 20% from 1 April 2016.

The Finance Act 2015 provides for a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017. The Finance Act 2016, which was substantively enacted on 15 September 2016, provides for a reduction in the main rate of corporation tax to 17% from 1 April 2020 (this supersedes the reduction to 18% which was provided for in the Finance Act 2015).

Notes (continued)

8. Property, plant and equipment

	Plant and equipment £000	Fixtures & fittings £000	Total £000
Cost			
At 01 April 2017	906	14	920
Additions	83	-	83
Disposals	(23)	-	(23)
At 31 March 2018	966	14	980
Depreciation			
At 01 April 2017	616	13	629
Charge for the period	226	1	227
Disposals	(1)	-	(1)
At 31 March 2018	841	14	855
Net book value			
At 31 March 2017	291	1	292
At 31 March 2018	125	-	125

9. Intangible assets

	Software £000	Total £000
Cost		
At 01 April 2017	61	61
Additions	284	284
At 31 March 2018	345	345
Amortisation and impairment		
At 01 April 2017	61	61
Amortisation	70	70
At 31 March 2018	131	131
Net book value		
At 31 March 2017	-	-
At 31 March 2018	214	214

Notes (continued)

10. Trade and other receivables

	2018	2017
	£000	£000
Current		
Tax and other receivable	125	350
Interest receivable	-	3
Prepayments	1,783	2,143
Debtors	395	1,170
Amounts owed by related parties (Note 17)	726	1,570
	<hr/>	<hr/>
	3,029	5,236
	<hr/>	<hr/>

11. Trade and other payables

	2018	2017
	£000	£000
Current		
Trade Payables	1,300	2,308
Other Payable	10	-
Tax Payable	681	-
Payable to employees	351	-
Accrued expenses	1,615	1,619
Amounts owed to related parties (Note 17)	278	465
	<hr/>	<hr/>
	4,235	4,392
	<hr/>	<hr/>

12. Employee benefits

Pension plans

The Company operates a defined contribution pension plan. The total expense relating to the plan in the period was £847,764 (2017:£691,381). There was £69,225 (2017:£62,229) outstanding at the year end.

Related parties

There were no related parties transactions within the employee benefit expenses. There was £0 outstanding at the year end.

Notes (continued)

13. Long term loan

	2018	2017
	£000	£000
Loan	45,045	34,116

The long term borrowing was received from British Telecommunications PLC and TalkTalk Telecom Group PLC with respect to the IPR valuation of YouView TV Limited. The loan shall not incur any interest but shall be subject to revaluation of the IPR every 2 years to satisfy the carrying amount.

14. Share Capital

During the period 31 March 2011, the company issued 4,278 £0.01 shares for a consideration of £42.78 settled in cash.

Allotted, called up and fully paid	2018 £
4,200 voting shares of £0.01 each	42.00
70 income shares of £0.01 each	0.70
7 founder shares of £0.01 each	0.07
1 additional founder share of £0.01	0.01
	<hr/>
	42.78
	<hr/> <hr/>

15. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2018	2017
	£000	£000
Next year	630	694
Between 2 and 5 years	1,800	2,430
Greater than 5 years	-	-
	<hr/>	<hr/>
	2,430	3,124
	<hr/> <hr/>	<hr/> <hr/>

During the financial period £725,549 was recognised as an expense in the income statement in respect of operating lease charges.

16. Capital commitments and contingent liabilities

The Company did not have any contractual capital commitments and contingent liabilities at 31 March 2018.

Notes (continued)

17. Related parties

There were transactions in the period between the Company and its shareholders, British Broadcasting Corporation, ITV Broadcasting Limited, British Telecommunications PLC, Channel Four Television Corporation, TalkTalk Telecom Group PLC, Arqiva Limited and Channel 5 Broadcasting Limited. The transactions in the period related to revenue, expenses, research and development and administration.

Transactions with shareholders in the period

	2018	2017
	£000	£000
Services to	7,326	8,911
Expenses incurred from	-	451

Balances outstanding with shareholders at 31 March 2018

	2018	2017
	£000	£000
Trade and other receivables	726	1,570
Trade payables	-	-
Accrued expenses	119	60
Non trade payables	159	405
Employee benefits	-	-

Revenue for services provided to shareholders during the period principally relates to service fees for funding by shareholders. Expenses incurred from shareholders relate primarily to occupancy, costs for external resources and research and development.

Amounts owed to related parties comprise monies owed at the period end for the provision of services and the excess of payments on account against the service fees owed.

Notes (continued)

18. Ultimate parent company

At 31 March 2018, the joint venture partners of YouView TV Limited were British Broadcasting Corporation, ITV Broadcasting Limited, British Telecommunications PLC, Channel Four Television Corporation, TalkTalk Telecom Group PLC, Arqiva Limited and Channel 5 Broadcasting Limited, each holding 14.3% respectively

The accounts of the above these companies are available to the public and may be obtained from the following addresses:

ITV Broadcasting Limited
Television Centre, Upper Ground,
London SE1 9LT

British Broadcasting Corporation
Broadcasting House, Portland Place,
London W1A 1AA

British Telecommunications PLC
81 Newgate Street,
London EC1A 7AJ

Channel Four Television Corporation
124 Horseferry Road,
London SW1P 2TX

TalkTalk Telecom Group PLC
11 Evesham Street,
London W11 4AR

Arqiva Limited
Crawley Court, Winchester,
Hampshire SO21 2QA

Channel 5 Broadcasting Limited
Riverbank House
2 Swan Lane
London
EC4R 3TT

XME Review Report

This document is for review purposes only. It cannot be used for tagging.

Taxonomy

Taxonomy Name

Full EU adopted IFRS (UK)

Tags

343

Identifier

Scheme

UK Companies House

Scheme URI

<http://www.companieshouse.gov.uk/>

Identifier Value

7308805

Additional Disclosures

Tag

Report includes a Strategic Report [true/false]

Directors' report is consistent with the accounts [true/false]

Financial statements are prepared on going-concern basis
[true/false]

Accounting standards applied

Accounts status, audited or unaudited

Accounts type, full or abbreviated

Entity is dormant [true/false]

Entity trading status

Legal form of entity

Start date for period covered by report

Scope of accounts

Principal currency used in business report

Report principal language

Value

Yes

Yes

Yes

Fixed Item: Full IFRS

Fixed Item: Audited

Fixed Item: Full accounts

No

Fixed Item: see dimensions

Fixed Item: Private limited company,
Ltd

01/04/2016

Fixed Item: Company accounts
[default]

Fixed Item: Pound Sterling

Fixed Item: see dimensions