

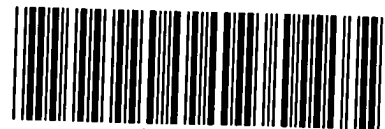
YouView TV Limited

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

Registered number 7308805

31 March 2022

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Strategic report

The directors present their strategic report on YouView TV Limited ('the Company') for the period ended 31 March 2022.

Fair Review of the Business

The Company's principal activity is the development of software and cloud services to create and develop a proprietary hybrid internet-connected and DTT television platform, open to all UK content providers.

These services comprise the provision of live television channels, on-demand content, and web-based services all whilst focusing on facilitating and enhancing video content discovery through the user interface. Since the product was launched in July 2012, the services available to the viewer have expanded to include more content as well as new features and functionality improving the viewing experience. YouView is available through subscription services provided by Internet Service Providers as well as a connected TV manufacturer.

The shareholders of YouView TV Limited signed a new shareholder agreement post the balance sheet date, taking affect from the 1st April 2022. While there is no expiry date to the agreement, the agreed deficit funding period runs until the 31st March 2024. During this period the named deficit funders have committed to meet any funding deficit that may arise.

Key performance indicators

Revenue

The revenue for the period was £9,206,885 for 2022 (2021: £8,734,753)

Innovation

The company's investment in innovation was £17,054,008 in 2022 (2021: £16,237,302). This reflects our continued commitment to an ongoing programme of technology innovation improving the customer experience and underlying technical capabilities required to be a competitive content streaming platform.

Principal 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.

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.

Results

The statement of comprehensive income for the period is set out on page 11. The net loss after tax for the period was £17,385,057 for 2022, which has been transferred to reserves (2021: net loss of £16,017,853)

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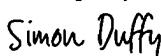
Employees

The Company places emphasis on its employees' involvement in the business at all levels. Managers and staff are remunerated according to performance against our corporate key performance indicators which are agreed by the remuneration committee and ratified by the board each year. All employees are kept informed of issues affecting the Company through formal and informal meetings as well as through the Company's weekly newsletter.

It is the Company's policy to assist the employment of disabled people, their training and career development, having regard to 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

DocuSigned by:

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Simon Duffy
Chairman

2nd Floor, Aldgate Tower
2 Leman Street
London
E1 8FA
24th June 2022

31 March 2022

Directors' report

The directors present their report and financial statements of YouView TV Limited ('the Company') for the period ended 31 March 2022.

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
M Goswami	Resigned	11 th April 2022
K Clifton	Appointed	10 th November 2014
R Balestiero	Appointed	26 th August 2015
A Gunatillaka	Appointed	22 nd October 2020
J Tatam	Resigned	29 th April 2022
K Hayat	Resigned	25 th February 2022
M Robinson	Appointed	25 th February 2022
L Kewley	Appointed	11 th April 2022
K Richardson	Appointed	29 th April 2022

Company Secretary

Christina Pettit

The Directors of the company benefited 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, particularly the main funders of the Company, 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. See note 1.2 for basis of preparation.

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.

Research and Development

The Company has benefitted from the Government's Research and Development ('R&D') incentive scheme for the past several years. YouView makes their R&D claim under the R&D SME scheme and received a tax credit of £2,794,858 for the FY20/21 claim.

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Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers. This is a relatively low risk for YouView because the majority (c52% per FY21/22) of our trade receivables are with shareholders who are contractually obligated to fund as named deficit funders per the shareholder agreement.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. YouView acknowledges the potential of liquidity risk. However, this risk is mitigated by the shareholder agreement and its associated funding commitment from our shareholders.

Financial Management Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. YouView acknowledges the potential of foreign exchange risk in relation to our payments to US\$ suppliers and have therefore taken out a forward exchange contract with Barclays to insure against any future exchange rate volatility.

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

DocuSigned by:

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Simon Duffy
Chairman

2nd Floor, Aldgate Tower
2 Leman Street
London
E1 8FA
24th June 2022

31 March 2022

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 accounting standards in conformity with the requirements of the Companies Act 2006 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 international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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.

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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 2022 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risk throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we

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do not believe there is a fraud risk related to revenue recognition because, as the nature of revenue is non-complex and achievement of specific revenue results do not inform company bonuses, we do not consider there to be overriding incentive for employees to manipulate revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing to identified entries to supporting documentation. These included those posted by senior finance management.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislations (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences on non-compliance could have a material effect on amounts of disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment laws and GDPR compliance. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

31 March 2022

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

As explained more fully in their statement set out on page 7 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
London
E14 5GL
24th June 2022

Statement of Comprehensive Income
for the period from 01 April 2021 to 31 March 2022

	Note	2022 £000	2021 £000
Revenue	2	9,207	8,735
Cost of sales		(22,798)	(22,457)
Gross loss		(13,591)	(13,722)
Administrative expenses	3	(6,608)	(4,695)
Operating loss		(20,199)	(18,417)
Financial expense	6	(231)	(19)
Loss before tax		(20,430)	(18,436)
Tax credit	7	3,045	2,418
Total comprehensive loss for the period		(17,385)	(16,018)

The results stated above have been derived from continuing operations.

The accompanying notes on pages 15 to 26 form an integral part of these financial statements.

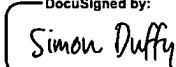
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Statement of Financial Position*At 31 March 2022*

	Note	2022 £000	2021 £000
Non-current assets			
Property, plant, and equipment	8	1,563	256
Intangible Assets	9	24	-
Right of use asset	10	2,241	584
		<u>3,828</u>	<u>840</u>
Current assets			
Trade and other receivables	13	5,160	3,568
Corporation Tax Receivable	7	2,795	2,545
Derivative asset	18	50	121
Cash and cash equivalents		9,746	3,884
		<u>17,751</u>	<u>10,118</u>
Total assets		<u>21,579</u>	<u>10,958</u>
Current Liabilities			
Trade and other payables	14	(4,844)	(2,238)
Employee benefits	15	(2,514)	(2,150)
Short term lease liability	11	(130)	(537)
		<u>(7,488)</u>	<u>(4,925)</u>
Non-current liabilities			
Long term loan	16	(120,687)	(97,553)
Lease liability	11	(2,309)	-
Total non-current liabilities		<u>(122,996)</u>	<u>(97,553)</u>
Total Liabilities		<u>(130,484)</u>	<u>(102,478)</u>
Net (liabilities)/assets		<u>(108,905)</u>	<u>(91,520)</u>
Equity			
Share capital	12	-	-
Retained (loss)/earnings		(108,905)	(91,520)
Total equity		<u>(108,905)</u>	<u>(91,520)</u>

The accompanying notes on pages 15 to 26 form an integral part of these financial statements. These financial statements were approved by the board of directors on the 24th June 2022 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 2021 to 31 March 2022

	Share Capital	Retained Earnings
	£000	£000
As at 1st April 2020	-	(75,502)
Loss for the year		(16,018)
As at 31st March 2021		(91,520)
Loss for the year		(17,385)
As at the 31st March 2022		108,905

The accompanying notes on pages 15 to 26 form an integral part of these financial statements.

Cash Flow Statement

for the period from 1 April 2021 to 31 March 2022

	2022 £000	2021 £000
Cash flows from operating activities		
Loss for the period before tax and interest	(20,199)	(18,417)
<i>Adjustments for:</i>		
Depreciation, amortisation, and impairment	1,053	957
Foreign currency effect on cash and cash equivalents	(71)	16
	(19,217)	(17,444)
Decrease/(Increase) in trade and other receivables	(1,592)	(468)
(Decrease)/ Increase in trade and other payables	2,606	(1,531)
(Decrease)/Increase in employee benefits	364	310
Taxation (paid)/receipt	2,795	2,915
Interest received/(paid)	(9)	(19)
	4,164	1,207
Net cash outflow from operating activities	(15,053)	(16,237)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,563)	(50)
Acquisition of intangible assets	(34)	
Net cash outflow from investing activities	(1,597)	(50)
Cash flows from financing activities		
Long term borrowing	23,134	19,331
Lease Payments	(622)	(709)
Net cash inflow from financing activities	22,512	18,622
Net Increase/(decrease) in cash and cash equivalents	5,862	2,335
Cash and cash equivalents at the beginning of the year of the financial year	3,884	1,549
Cash and cash equivalents at year end	9,746	3,884

The accompanying notes on pages 15 to 26 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 private limited company incorporated and domiciled in the UK. The Company's financial statements have been prepared and approved by the directors in accordance with in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs").

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

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.

Notwithstanding net liabilities of [£108,905k] as at 31 March 2022, a loss for the year then ended of [£17,385k] and operating cash outflows for the year of [£15,053k], the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through a new loan facility and an additional deficit funding commitment from its shareholders to meet its liabilities as they fall due for that period.

As with any company placing reliance on its shareholders for financial support, the directors acknowledge that there can be no certainty that this support will continue although, the shareholders have agreed a new shareholders agreement to commence from April 1st 2022, which gives the company funding assurances until at least 31st March 2024.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 - 3-5 years
- Fixtures and fittings - 3-5 years

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

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.

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 professional services. Revenue for time-based fee 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 2021/22 all deficit funding was accounted as loan funding, consistent with 2020/21.

1.10 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.

1.11 Derivative Financial Instruments

The Company enters into a foreign exchange forward contract to manage its exposure to currency movements. Further details of derivative financial instruments are disclosed in note 18. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss.

1.12 Leases

The company accounts for its office lease under standard IFRS 16.

The main impact of IFRS 16 for the Company is the recognition of all future lease liabilities related to its existing office space lease on the balance sheet. A corresponding right-of-use asset has also been recognised on the balance sheet representing the economic benefit of the Company's right to use the underlying leased asset.

Right-of-use assets

Right-of-use assets are initially measured at cost, which is the amount equal to the corresponding lease liabilities adjusted for any lease payments made at or before the commencement date, less any lease incentives received.

Lease liabilities

The Company assesses whether a contract is or contains a lease based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Under IFRS 16, the Company recognises right-of-use assets and liabilities at the lease commencement date. The lease liabilities are initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For the office lease the Company has used the incremental borrowing rate as the discount rate.

Lease liabilities are subsequently measured at amortised cost and are increased by the interest charge and decreased by the lease payments made. Lease liabilities are remeasured if there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee.

1.13 Future accounting developments

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

	2022 £000	2021 £000
Services fee for funding by shareholders	1,858	2,609
Platform Fees/Device Fees/Other	7,349	6,126
	<hr/>	<hr/>
Total Revenue	9,207	8,735
	<hr/>	<hr/>

3. Expenses and auditor's remuneration

Included in profit are the following:

	2022 £000	2021 £000
Depreciation and amortisation (Note 8, 9 & 10)	1,053	957
Research and development expensed as incurred	17,054	16,237
	<hr/>	<hr/>
	18,107	17,194
	<hr/>	<hr/>

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.

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	2022	2021
<i>Auditor's remuneration:</i>		
	£000	£000
Audit of these financial statements	53	37
Other services relating to taxation	61	60
	<hr/> 114	<hr/> 97

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

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
	2022	2021
Administration	35	31
Research and Development	161	150
	<hr/> 196	<hr/> 181
	<hr/> <hr/> 196	<hr/> <hr/> 181

The aggregate payroll costs of these persons were as follows:

	2022 £000	2021 £000
Wages and salaries	14,969	14,528
Social security costs	2,017	1,692
Contributions to defined contribution plans	884	838
	<hr/> 17,870	<hr/> 17,058
	<hr/> <hr/> 17,870	<hr/> <hr/> 17,058

5. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	113	113
	<hr/> <hr/> 113	<hr/> <hr/> 113

The aggregate of emoluments of the highest paid director was £112,500.

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. Remuneration for all other members of the Board of Directors is paid for by their individual employers/shareholders.

6. Finance income and expense

Recognised in the income statement

	2022 £000	2021 £000
Interest on lease liability on expired lease	(9)	(19)
Interest on lease liability relating to new lease	(222)	
Total	(231)	

7. Taxation

Recognised in the income statement

	2022 £000	2021 £000
Current tax credit (R&D)		
Current year	2,795	2,545
Prior year tax credit adjustment	250	(127)
Current tax expense	3,045	2,418
Deferred tax expense	-	-
Total tax credit	3,045	2,418

There are unrecognised deferred tax assets and tax loss carry forwards at March 31st, 2022:

	2022 £000	Expiration Date
Unrestricted tax losses	50,933	Indefinite
Net deferred tax asset	50,933	

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

	2022 £000	2021 £000
Profit/(loss) for the period before tax	(20,430)	(18,436)
Trading losses	-	-
	(20,430)	(18,436)

Tax using the UK corporation tax rate of 19% (2020:19%)		
	(3,882)	(3,503)
Tax losses not carried forward	3,882	3,503
Total tax credit adjustment	3,045	2,418
Total tax credit	3,045	2,418

The corporation tax rate of 19% is the same as prior year. At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

8. Property, plant and equipment

	Plant and equipment £000	Fixtures & fittings £000	Total £000
Cost			
At 01 April 2021	1,670	14	1,684
Additions	76	1,488	1,563
At 31 March 2022	1,746	1,502	3,248
Depreciation			
At 01 April 2021	1,414	14	1,428
Charge for the period	198	58	256
At 31 March 2022	1,612	72	1,685
Net book value			
At 31 March 2021	256	-	256
At 31 March 2022	133	1,430	1,563

9. Intangible Assets

	Software £000	Total £000
Cost		
At 01 April 2021	360	360
Additions	34	34
At 31 March 2022	394	394

Amortisation		
At 01 April 2021	(360)	(360)
Charge for the year	(10)	(10)
At 31 March 2022	(370)	(370)
Net book value		
At 31 March 2021	-	-
At 31 March 2022	24	24

10. Right-of-use Assets

As a lessee, the Company leased office space on a long-term lease that terminated in February 2022. The company entered into a new lease for office space in October 2021. This is a 10-year lease.

Right-of-use assets	2022
	£000
Recognition of right-of-use asset on initial application of IFRS16 at 31 March 2019	1,991
Depreciation charge for the year at 31 March 2020	(698)
Balance at 31 st of March 2021	1,293
Depreciation charge for the year at 31 March 2021	(709)
Balance at 31 st March 2021	584
Adjustments in respect of prior periods	84
Recognition of new right-of-use asset at 19 th October 2021	2,359
Depreciation charge for the year at 31 March 2022	(786)
Balance at 31st March 2022	2,241

11. Lease Liabilities

	2022	2021
	£000	£000
The following has been included in the financial statements in respect of lease liabilities:		
Interest expense on lease liabilities	(231)	(19)
Total cash outflow for leases comprising rent and interest	(631)	(727)

Lease liabilities are expected to fall due as follows:

Less than 1 year	130	537
Greater than 2 years	2,309	-
	<u>2,439</u>	<u>537</u>

12. Share Capital

During the period 31 March 2022, the company issued 4,278 £0.01 shares for a consideration of £42.78 settled in cash. Following Arqiva Limited's decision to exit the venture on the 31st March, 2021, their 600 voting shares and 10 income shares transferred into 610 deferred shares. Deferred shares do not carry any right to receive notice of or attend, speak at, or vote at any general meeting of the Company, or to vote on any written resolution of the Company.

	2022
Allotted, called up and fully paid	£
3,660 voting shares of £0.01 each	36.00
60 income shares of £0.01 each	0.60
7 founder shares of £0.01 each	0.07
1 additional founder share of £0.01	0.01
610 deferred shares of £0.01 each	6.10
	<u>42.78</u>

13. Trade and other receivables

	2022	2021
	£000	£000
Current		
Other receivables	151	152
Prepayments	752	969
Debtors	935	698
Amounts owed by related parties (Note 19)	2,724	419
Tax Receivable	598	1,330
	<u>5,160</u>	<u>3,568</u>

14. Trade and other payables

	2022	2021
	£000	£000
Current		
Trade Payables	399	760

Other Payable	18	9
Tax Payable	-	-
Payable to employees	327	432
Accrued expenses	1,300	667
Amounts owed to related parties (Note 19)	2,800	370
	<hr/>	<hr/>
	4,844	2,238
	<hr/>	<hr/>

15. Employee benefits

Pension plans

The Company operates a defined contribution pension plan. The total expense relating to the plan in the period was £883,709 (2021: £838,133). There was £75,260 (2021: £67,557) 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.

16. Long term loan

	2022	2021
	£000	£000
Loan	120,687	97,553

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. The current repayment clause is no earlier than 30th June 2032.

17. Capital commitments and contingent liabilities

The Company is projected to spend a further £28,907 on fixtures and fittings in relation the office move at 31 March 2022.

18. Risk

18.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

This is a relatively low risk for YouView because (c73% per FY21/22) of our trade receivables throughout the year are with our shareholders.

18.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. YouView acknowledges the potential of a liquidity risk. However, this risk is mitigated by the continuing funding commitment from the shareholders.

18.3 Financial Risk Management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

YouView acknowledges the potential of foreign exchange risk in relation to our payments to USD suppliers and have therefore taken out a forward exchange contract with Barclays to insure against any future exchange rate volatility'. This forward contract buys USD monthly (between \$160,000 and \$400,000) at an average rate of 1.343 with the last value date on 15th March 2023. The forward contract is revalued monthly with any gains or losses taken through the profit and loss account. Currently the derivative sits as an asset on the balances sheet. As at 31st March 2022 we held \$977,353 in our USD account. For financial year FY22/23 we have hedged \$3,395,000 at a GBP equivalent of £2,528,434 with Barclays.

19. 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, 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

	2022	2021
	£000	£000
Services to	6,207	5,697

Balances outstanding with shareholders at 31 March 2022

	2022	2021
	£000	£000
Trade and other receivables	2,724	419
Trade payables	2,800	289
Accrued expenses	-	81

Revenue for services provided to shareholders during the period principally relates to service fees by shareholders. Expenses incurred from shareholders relate primarily to 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 pre-paid revenues relating to the next financial year.

20. Post balance sheet event

The shareholders of YouView TV Limited agreed a new shareholder agreement taking affect from the 1st April 2022. This agreement continues until all shareholders agree otherwise. There is no expiry date to the agreement, however, the agreed deficit funding period runs until the 31st March 2024. During this period the named deficit funders have committed to meet any funding deficit during that period.

21. Ultimate parent company

At 31 March 2022, 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 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
ITV White City
201 Wood Lane
London W12 7RU

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

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