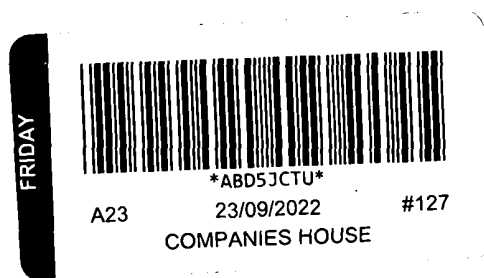


Registered number: 04206916

Stream UK Media Services Limited

Annual report and financial statements

for the year ended 31 December 2021



Stream UK Media Services Limited

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Stream UK Media Services Limited

Officers and professional advisors

| | |
|-------------------|--|
| Directors | A J Dowsett J R Goode C P Marshall |
| Registered Office | The Point 37 North Wharf Road Paddington London W2 1AF |
| Auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG |
| Bankers | Lloyds Bank Plc 25 Gresham Street London EC2V 7HN |
| Solicitors | Taylor Wessing LLP 5 New Street Square London EC4A 3TW |

Stream UK Media Services Limited

Directors' report

The directors present their report and the financial statements of the Company for the year ended 31 December 2021.

Principal activities

The principal activity of the Company during the year continued to be that of provision of live, video-on-demand and over-the-top streaming services, platforms and technology to a wide base of global clients.

Review of business

Revenue was £9.2m (2020: £7.4m), an improvement of 25% and driven by the continued growth of the business year on year, with an expansion in the customer base and underpinned by investment in the Company's service offering. Operating profit was £1.1m (2020: £1.1m). The Company saw an increase in net assets from £4.5m to £6.0m due to strong financial performance of the business through 2021.

Future developments

The Company enters 2022 well placed to further develop its customer base and service offering, supported by continued investment in talent and IT development.

The directors note the recent developments in Ukraine and the sanctions being imposed on Russia by many countries since February 2022. The directors' view is that those developments and sanctions are unlikely to have a significant adverse impact on the Company. As the situation evolves, the directors will continue to monitor developments closely and take all necessary actions.

Directors

The directors, who served throughout the year and subsequently, were as follows:

A J Dowsett
J R Goode
C P Marshall

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Dividends

No dividends were approved and paid in the year (2020: £nil).

Going concern

The Covid-19 pandemic has deeply affected UK and global economic activity, depressing some sectors and boosting others. The evolution of the pandemic, and the uncertainty around the impact of future waves, represents a significant ongoing risk to the Company's operations, finance and customer base. The directors take confidence from the Company's strong cash flow position through 2021 and post year end, that the Company is able to effectively manage and mitigate these risks over the long term.

After reviewing the Company's forecasts and projections for the period to April 2023, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial risk management objectives and policies

The Company's financial risk management objectives and policies are actively managed by the directors on a group basis.

Credit risk

The group's principal financial assets are cash, trade and other receivables and investments. The group's credit risk is primarily attributable to its trade receivables to the extent that a customer may be unable to pay the debt on the specified due date. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. This risk is further mitigated by the strong ongoing customer relationships and for many customers there is a dependency on an ongoing service.

Stream UK Media Services Limited

Directors' report (continued)

Liquidity risk

The group mitigates liquidity risk by ensuring that sufficient funds are available for ongoing operations and future developments. The group holds cash on deposit and has ensured that the funds are held in a spread of money market funds and institutions.

Small company provisions

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and in accordance with the provisions of Section 1A of FRS 102.

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 and 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 accounting estimates that are reasonable and prudent; and
- 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 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

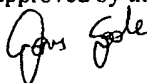
- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Having expressed a willingness to continue in office, Grant Thornton UK LLP will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



J R Goode

Director
29 April 2022

The Point
37 North Wharf Road,
Paddington, London
W2 1AF

Independent auditor's report to the members of Stream UK Media Services Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of Stream UK Media Services Limited (the 'company') for the year ended 31 December 2021, which comprise statement of income and retained earnings, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the withdrawal of the United Kingdom from the European Union (Brexit) and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Independent auditor's report to the members of Stream UK Media Services Limited

Year ended 31 December 2021 (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

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

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

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

Independent auditor's report to the members of Stream UK Media Services Limited

Year ended 31 December 2021 (continued)

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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation related to reporting frameworks (FRS102 and Companies Act 2006), distributable profits legislation, tax legislation, anti-bribery and corruption legislation, health and safety, data protection, and employment law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes, and correspondence received from regulatory bodies.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussions with management to understand where management considered there is a susceptibility to fraud.
- Audit procedures performed by the engagement team included:
 - evaluation of the controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to the year end consolidation and entries determined to be large or relating to unusual transactions based on our understanding of the business;
 - identifying and testing related party transactions;
 - completion of audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements;
 - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates;
 - understanding of the legal and regulatory requirements (FRS102 and Companies Act 2006 and the relevant tax compliance regulations) specific to the entity including:

Independent auditor's report to the members of Stream UK Media Services Limited
Year ended 31 December 2021 (continued)

- the provisions of the applicable legislation;
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - the applicable statutory provisions.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

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 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.

Grant Thornton UK LLP

Matthew Flowers
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
29 April 2022

Stream UK Media Services Limited

Statement of income and retained earnings

For the year ending 31 December 2021

| | Note | 2021 £000 | 2020 £000 |
|---|------|--------------|--------------|
| Turnover | | 9,204 | 7,363 |
| Other operating income | | 185 | 286 |
| Staff costs | 4 | (2,250) | (1,547) |
| Depreciation | | (60) | (59) |
| Other operating expenses | | (5,984) | (4,312) |
| Operating profit | | 1,095 | 1,731 |
| Interest payable | | (5) | (2) |
| Income from shares in group undertakings | | 377 | 609 |
| Profit before taxation | 3 | 1,467 | 2,338 |
| Tax on profit | 6 | 7 | (175) |
| Profit for the financial year attributable to the equity shareholders of the Company | | <u>1,474</u> | <u>2,163</u> |
| Retained earnings at the start of the financial year | | 4,497 | 2,334 |
| Profit for the financial year attributable to the equity shareholders of the Company | | <u>1,474</u> | <u>2,163</u> |
| Retained earnings at the end of the financial year | | <u>5,971</u> | <u>4,497</u> |

All the activities of the Company are from continuing operations.

There were no items of other comprehensive income in the current or preceding year therefore a statement of comprehensive income has not been presented.

The notes on pages 10 to 19 form an integral part of these financial statements.

Stream UK Media Services Limited

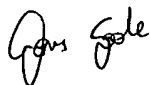
Balance sheet

At 31 December 2021

| | Note | 2021 £000 | 2020 £000 |
|---|------|---------------------|---------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 155 | 243 |
| Investments | 8 | 6 | 6 |
| | | <u>161</u> | <u>249</u> |
| Current assets | | | |
| Debtors | 9 | 4,907 | 2,931 |
| Cash | | 6,376 | 6,806 |
| | | <u>11,283</u> | <u>9,737</u> |
| Creditors: amounts falling due within one year | 10 | (5,217) | (5,442) |
| Net current assets | | <u>6,066</u> | <u>4,295</u> |
| Total assets less current liabilities | | <u>6,227</u> | <u>4,544</u> |
| Creditors: amounts falling due in more than one year | 10 | (87) | - |
| Deferred tax liability | 11 | (15) | (28) |
| Provisions | 12 | (154) | (19) |
| Net assets | | <u><u>5,971</u></u> | <u><u>4,497</u></u> |
| Capital and reserves | | | |
| Profit and loss account | 13 | <u>5,971</u> | <u>4,497</u> |
| | | <u><u>5,971</u></u> | <u><u>4,497</u></u> |

The accounts have been prepared in accordance with the provisions applicable to small companies' subject to the small companies' regime and in accordance with the provisions of Section 1A of FRS 102.

The accounts of Stream UK Media Services Limited (registered number 04206916) were approved by the board of directors and authorised for issue on 29 April 2022. They were signed on its behalf by:



J R Goode
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Stream UK Media Services Limited is a company incorporated in England and Wales under the Companies Act 2006. The Company is a private Company limited by shares. The address of the registered office is given on page 1.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Section 1A of Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (‘FRS 102’) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Accordingly, the financial statements are presented in pounds sterling (£’000).

b. Disclosure exemptions

The Company is a wholly owned subsidiary of PA Media Group Limited and is included in the consolidated financial statements of PA Media Group Limited. The Company is therefore exempt by virtue of section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements. The financial statements of PA Media Group Limited can be found at The Point 37 North Wharf Road, Paddington, London, England, W2 1AF.

c. Going concern

The Covid-19 pandemic has deeply affected UK and global economic activity, depressing some sectors and boosting others. The evolution of the pandemic, and the uncertainty around the impact of future waves, represents a significant ongoing risk to the Company’s operations, finance and customer base. The directors take confidence from the Company’s strong cash flow position through 2021 and post year end, that the Company is able to effectively manage and mitigate these risks over the long term.

After reviewing the Company’s forecasts and projections for the period to April 2023, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

d. Investments

Investments are stated at cost less provisions to reduce the carrying value of an investment to its estimated recoverable amount where, in the opinion of the directors, there has been an impairment.

e. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|-----------------------|----------|
| Equipment | - 20-25% |
| Motor vehicles | - 25% |
| Fixtures and fittings | - 25% |

f. Financial instruments

The Company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Stream UK Media Services Limited

Notes to the financial statements **For the year ended 31 December 2021**

1. Accounting policies

f. Financial instruments

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

g. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Investments

Investments are stated at cost less provisions to reduce the carrying value of an investment to its estimated recoverable amount where, in the opinion of the directors, there has been an impairment.

h. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

h. Taxation

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of estimated discounts, sales taxes and after eliminating intercompany sales within the Company. When the outcome cannot be reliably estimated, turnover is recognised only to the extent that it is probable that future economic benefits will flow to the Company. The Company bases its estimates on historical results, taking into account the type of customer, the type of transaction and the specifics of each arrangement.

Arrangements include fees relating to the production, webcasting, support and hosting of video content.

Where an arrangement includes the recharge of set up costs, turnover associated with this is recognised over the term of the contract.

Turnover relating to the provision of services including webcasting, production, platforms and support is recognised in line with the service delivery to the customer, which is usually evenly over the contract period with reference to contract terms.

The Company also holds a number of revenue share arrangements. Turnover from sales of third party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and the vendor, and is recorded gross when the Company is a principal to the transaction. Turnover is recognised over the subscription period, usually monthly or annually.

j. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

k. Pension costs

Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is provided.

l. Debtors

Short term debtors are measured at transaction price, less any impairment.

m. Creditors

Short term creditors are measured at transaction price.

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2021

2. Critical accounting judgements

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Classification of funds held by payment platforms

The Company utilises Electronic Money Institutions (EMIs) to facilitate payments with clients. The EMIs providing the service are regulated by the Financial Conduct Authority (FCA) and monies held by the EMIs is protected under the FCA's safeguarding regulations. The assessment of whether the monies held by the EMIs should be classified as cash or a receivable is an area of judgement and dependent on the specific terms and conditions of the EMI agreement.

Management have assessed the characteristics of electronic money ("e-money") and the terms and conditions for accessing the e-money held by the EMIs and concluded that e-money is a cash equivalent. As more information becomes available about e-money and EMIs, management may reassess their position. The risk to the financial statements of misclassifying the e-money held by the EMIs as a cash equivalent would be a decrease to the cash and an increase to debtor balances. There would be no impact to net current assets, net assets or the income statement.

3. Profit before taxation

Profit before taxation is stated after charging:

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Depreciation of tangible assets (see note 7) | 60 | 59 |
| Income from subsidiary undertakings | 377 | 609 |
| Fees payable to the Company's auditor for the audit of the Company's financial statements | - | - |

Auditors remuneration of £17,000 was borne by a fellow group company (2020: £16,000). The auditors did not perform any non-audit services in the year (2020: £Nil).

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2021

4. Staff costs

An analysis of staff costs is as follows:

| | 2021 £000 | 2020 £000 |
|-----------------------|--------------|--------------|
| Wages and salaries | 1,991 | 1,363 |
| Social security costs | 216 | 156 |
| Pension costs | 43 | 28 |
| | <u>2,250</u> | <u>1,547</u> |

The average number of persons employed by the Company during the period was:

| | 2021 No | 2020 No |
|----------------|------------|------------|
| Operational | 25 | 19 |
| Sales | 5 | 6 |
| Administration | 3 | 2 |
| | <u>33</u> | <u>27</u> |

5. Directors' remuneration

Three directors did not receive any emoluments for their services as directors of the Company during the year or preceding year. The directors of the Company have wide ranging responsibilities for the management of PA Media Group Limited and as such their emoluments are paid by PA Media Group Limited. Accordingly, disclosures in respect of directors' remuneration have been made in the financial statements of PA Media Group Limited.

Stream UK Media Services Limited

Notes to the financial statements For the year ended 31 December 2021

6. Tax on profit on ordinary activities

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Current tax | | |
| UK current tax expense | - | 172 |
| Foreign tax expense | 4 | - |
| Adjustments in respect of previous years | 2 | (27) |
| Total current tax | 6 | 145 |
| Deferred tax | | |
| Origination and reversal of timing differences | (22) | 30 |
| Effect of changes in tax rate | 9 | - |
| Total current tax | (13) | 30 |
| Tax (credit)/charge on profit on ordinary activities | (7) | 175 |

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is less than (2020: less than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Profit on ordinary activities before taxation | 1,467 | 2,338 |
| Profit on ordinary activities by rate of tax | 279 | 444 |
| Expenses not deductible for tax purposes | 14 | 3 |
| Income not taxable for tax purposes | (35) | (57) |
| Fixed asset differences | (1) | - |
| Group income | (72) | (117) |
| Effect of transfer pricing adjustments | (55) | (50) |
| Adjustments to tax charge in respect of previous years | 2 | (27) |
| Group relief claimed | (142) | (21) |
| Effect of changes in tax rates | 3 | - |
| Tax (credit)/charge on profit on ordinary activities | (7) | 175 |

Factors that may affect future tax charges

The standard rate of corporation tax in the UK was 19.00% through 2021. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 19.00% (2020: 19.00%).

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023 and the legislation received Royal Assent on 10 June 2021.

The deferred tax assets and liabilities reflect these rates.

Stream UK Media Services Limited

Notes to the financial statements For the year ended 31 December 2021

7. Tangible fixed assets

| | Equipment £000 | Fixtures & Fittings £000 | Total £000 |
|---|-------------------|--------------------------------|---------------|
| Cost or valuation | | | |
| At 1 January 2021 | 385 | 28 | 413 |
| Additions | 32 | - | 32 |
| Disposals | (60) | - | (60) |
| At 31 December 2021 | 357 | 28 | 385 |
| Depreciation | | | |
| At 1 January 2021 | 142 | 28 | 170 |
| Charge for the year | 60 | - | 60 |
| At 31 December 2021 | 202 | 28 | 230 |
| Net book value at 31 December 2021 | 155 | - | 155 |
| Net book value at 31 December 2020 | 243 | - | 243 |

8. Fixed asset investments

| | Total £000 |
|--|---------------|
| Carrying value before impairment | |
| At 1 January and 31 December 2021 | 6 |
| Provisions for impairment | |
| At 1 January and 31 December 2021 | - |
| Carrying value at 31 December 2021 and 31 December 2020 | 6 |

The subsidiary undertakings of the Company are as follows:

| Company | Activity | Proportion of shares held direct | Registered office |
|----------------------------------|------------------------|-------------------------------------|---|
| Stream Malta Limited | Online video solutions | 100% | 1 st Floor, Schemson House, Valley Road, Birkirkara, BKR 9021, Malta |
| Stream Benelux B.V. | Online video solutions | 100% | Quirinegang 183, 2719 CH Zoetemeer, The Netherlands |
| Stream Espana Sursusal en Espana | Online video solutions | 100% | Pasea de la Castellana 135, 7 th Planta, 28046, Madrid, Spain |

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2021

9. Debtors

| | 2021 £000 | 2020 £000 |
|--------------------------------------|--------------|--------------|
| Amounts falling due within one year: | | |
| Trade debtors | 1,161 | 1,306 |
| Corporation tax | 20 | 68 |
| Amounts owed by group companies | 2,472 | 509 |
| Prepayments and accrued income | 465 | 433 |
| Other debtors | 789 | 615 |
| | <u>4,907</u> | <u>2,931</u> |

During the year, an impairment loss of £0.2m (2020: £Nil) was recognised. Debtor provisions of £0.2m (2020: £Nil) were held at 31 December 2021.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

10. Creditors: amounts falling due within one year

| | 2021 £000 | 2020 £000 |
|---------------------------------|--------------|--------------|
| Trade creditors | 576 | 244 |
| Amounts owed to group companies | 1,492 | 885 |
| Other taxes and social security | 1,337 | 1,103 |
| Other creditors | 10 | 17 |
| Accruals and deferred income | 1,771 | 3,089 |
| Finance leases | 31 | 104 |
| | <u>5,217</u> | <u>5,442</u> |

10. Creditors: amounts falling due within one year

| | 2021 £000 | 2020 £000 |
|----------------|--------------|--------------|
| Finance leases | 87 | - |
| | <u>87</u> | <u>-</u> |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Stream UK Media Services Limited

Notes to the financial statements For the year ended 31 December 2021

11. Deferred tax

Deferred tax liabilities can be analysed as follows:

| | 2021 £000 | 2020 £000 |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | (21) | (33) |
| Short term timing differences | 6 | 5 |
| | <u>(15)</u> | <u>(28)</u> |

The movement in deferred tax (liabilities)/assets is as follows:

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| At 1 January | (28) | 2 |
| Deferred tax credit/(charge) to profit and loss | 13 | (30) |
| At 31 December | <u>(15)</u> | <u>(28)</u> |

12. Provisions

| | Leasehold dilapidations commitments £000 | Sales tax costs £000 | Total £000 |
|--------------------------|---|----------------------------|---------------|
| Cost or valuation | | | |
| At 1 January 2021 | 19 | - | 19 |
| Additions | - | 135 | 135 |
| At 31 December 2021 | <u>19</u> | <u>135</u> | <u>154</u> |

Leasehold dilapidations provisions relates to contractual obligations to reinstate leasehold properties into their original state of repair at the end of the lease. The provisions are calculated with reference to the expired portion of the individual lease agreements where such a clause exists in the lease contract. The transfer of economic benefit will be made at the end of the lease as set out in note 14.

During the year the Company made a provision of £0.1m relating to potential sales tax costs. The provisions are based on management's best estimate of costs likely to be incurred within 12 months.

13. Reserves

Called up share capital

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company. Authorised share capital in both years was £2 ordinary shares of £1 each.

Profit and loss account

The profit and loss account comprises cumulative net gains and losses from recognised earnings.

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2021

14. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2021 £000 | 2020 £000 |
|------------------------------|--------------|--------------|
| - within one year | 80 | 80 |
| - between one and five years | 187 | 267 |
| | <u>267</u> | <u>347</u> |

The total future minimum lease payments under finance lease and hire purchase contracts are payable as follows:

| | 2021 £000 | 2020 £000 |
|------------------------------|--------------|--------------|
| - within one year | 31 | 30 |
| - between one and five years | 87 | 74 |
| | <u>118</u> | <u>104</u> |

There were no other capital commitments as at the balance sheet date (2020: £Nil).

15. Pension commitments

The Company operates a defined contribution pension scheme, which meet auto-enrolment regulations. The assets of the scheme are held separately from those of the Company in an independently administered fund.

At 31 December 2021, the Company had unpaid contributions of £10,000 which were due to the fund (2020: £16,000). These amounts are presented within other creditors.

16. Related party transactions

As a subsidiary company of undertaking PA Media Group Limited, the Company has taken advantage of the exemptions in Section 33 "Related Party Transactions" from disclosing transactions with members of PA Media Group Limited.

17. Controlling party

At 31 December 2021, the largest and smallest group in which the results of the Company were consolidated is PA Media Group Limited. The consolidated financial statements can be obtained from The Point, 37 North Wharf Road, Paddington, London, W2 1AF. The ultimate parent company PA Media Group Limited has prepared consolidated group financial statements for the year ended 31 December 2021. The ultimate controlling party is PA Media Group Limited.