

Registered number: 04206916

Stream UK Media Services Limited

Annual report and financial statements

for the year ended 31 December 2019



Stream UK Media Services Limited

Contents

| | Page |
|---|-------------|
| Officers and professional advisors | 1 |
| Directors' report | 2 |
| Independent auditor's report to the members of Stream UK Media Services Limited | 4 |
| Statement of income and retained earnings | 7 |
| Balance sheet | 8 |
| Notes to the financial statements | 9 |

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 2019.

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 £6.0m (2018: £5.9m), an improvement of 3% and driven by the continued growth of the business year on year. Operating profit was £1.0m (2018: £1.0m). Net assets of £2.3m increased on prior year due to a reduction in dividends declared (2018: £1.4m).

Directors

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

| | |
|--------------|---------------------------|
| J W Bray | (resigned 19 June 2020) |
| D R Burbidge | (resigned 19 June 2020) |
| A J Dowsett | |
| J R Goode | (appointed 29 March 2019) |
| 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

Dividends of £0.7m were approved and paid in the year (2018: £1.6m).

Post balance sheet events

The company has determined that the Covid-19 pandemic is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact.

Going concern

After reviewing the Company's forecasts and projections, including consideration of the impact of Brexit and COVID-19 on the Company, 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. Having reviewed the company's current trading trends and forecasts for a period of at least 12 months from the date of approval of the financial statements, and the support provided by its parent, the directors believe it is appropriate to draw up its accounts on the going concern basis.

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.

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.

Stream UK Media Services Limited

Directors' report (continued)

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:

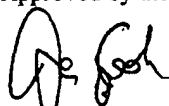
- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's 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
23 December 2020

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 2019

Opinion

We have audited the financial statements of Stream UK Media Services Limited (the 'company') for the year ended 31 December 2019, 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 2019 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and the withdrawal of the United Kingdom from the European Union ("Brexit"). All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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

Year ended 31 December 2019 (continued)

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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.

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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the members of Stream UK Media Services Limited
Year ended 31 December 2019 (continued)

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.

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.

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.

 *S. H. L. P.*

Sergio Cardoso
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
23 December 2020

Stream UK Media Services Limited

Statement of income and retained earnings

For the year ending 31 December 2019

| | Note | 2019 £000 | 2018 £000 |
|---|------|--------------|--------------|
| Turnover | | 6,036 | 5,860 |
| Direct costs | | (3,288) | (2,963) |
| Gross profit | | 2,748 | 2,897 |
| Staff costs | 5 | (1,355) | (1,427) |
| Depreciation and other amounts written off tangible assets | | (54) | (65) |
| Other operating income | | 320 | 177 |
| Other operating expenses | | (618) | (537) |
| Operating profit | | 1,041 | 1,045 |
| Income from shares in group undertakings | | 704 | 539 |
| Loss on disposal of fixed assets | | - | (1) |
| Profit before taxation | 3 | 1,745 | 1,583 |
| Tax on profit | 7 | (113) | (84) |
| Profit for the financial year attributable to the equity shareholders of the Company | | 1,632 | 1,499 |
| Retained earnings at the start of the financial year | | 1,407 | 1,548 |
| Profit for the financial year attributable to the equity shareholders of the Company | | 1,632 | 1,499 |
| Dividends paid | | (705) | (1,640) |
| Retained earnings at the end of the financial year | | 2,334 | 1,407 |

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 9 to 17 form an integral part of these financial statements.

Stream UK Media Services Limited

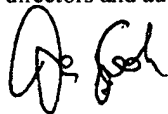
Balance sheet

At 31 December 2019

| | Note | 2019 £000 | 2018 £000 |
|--|------|--------------|--------------|
| Fixed assets | | | |
| Tangible assets | 8 | 80 | 100 |
| Investments | 9 | 6 | - |
| | | <hr/> | <hr/> |
| Current assets | | 86 | 100 |
| Debtors | 10 | 2,238 | 2,605 |
| Investments | 9 | - | 6 |
| Cash | | 2,001 | 1,493 |
| | | <hr/> | <hr/> |
| Creditors: amounts falling due within one year | 11 | 4,239 | 4,104 |
| Provisions | 13 | (1,368) | (2,404) |
| | | (97) | - |
| | | <hr/> | <hr/> |
| Net current assets | | 2,774 | 1,700 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 2,860 | 1,800 |
| Creditors: amounts falling due after more than one year | 12 | (526) | (393) |
| | | <hr/> | <hr/> |
| Net assets | | 2,334 | 1,407 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Capital and reserves | | | |
| Share capital | | - | - |
| Profit and loss account | 14 | 2,334 | 1,407 |
| | | <hr/> | <hr/> |
| | | 2,334 | 1,407 |
| | | <hr/> <hr/> | <hr/> <hr/> |

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 23 December 2020. They were signed on its behalf by:



J R Goode
Director

The notes on pages 9 to 17 form an integral part of these financial statements.

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2019

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

After reviewing the Company’s forecasts and projections, including consideration of the impact of Brexit and COVID-19 on the Company, 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. Having reviewed the company’s current trading trends and forecasts for a period of at least 12 months from the date of approval of the financial statements, and the support provided by its parent, the directors believe it is appropriate to draw up its accounts on the going concern basis.

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.

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.

Stream UK Media Services Limited

Notes to the financial statements For the year ended 31 December 2019

1. Accounting policies

f. Financial instruments

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.

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.

Stream UK Media Services Limited

Notes to the financial statements For the year ended 31 December 2019

1. Accounting policies

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 probably 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.

Turnover generated from bespoke training, consultancy and marketing content is recognised in line with costs that have been incurred, generally based on hours incurred relative to the total hours expected to be incurred.

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.

n. Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

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.

The directors do not identify any critical accounting judgements or key sources of estimation uncertainty in relation to these financial statements.

Stream UK Media Services Limited

Notes to the financial statements For the year ended 31 December 2019

3. Profit before taxation

Profit before taxation is stated after charging:

| | 2019 | 2018 |
|---|-------------|-------------|
| | £000 | £000 |
| Depreciation of tangible assets (see note 8) | 54 | 65 |
| Fees payable to the Company's auditor for the audit of the Company's financial statements | 8 | 8 |
| | <u>8</u> | <u>8</u> |

Auditors remuneration of £8k was borne by a fellow group company (2018: £6k). The auditors did not perform any non-audit services in the year (2018: £Nil).

4. Dividends

| | 2019 | 2018 |
|------------------|-------------|--------------|
| | £000 | £000 |
| Interim dividend | 705 | 700 |
| Final dividend | - | 940 |
| | <u>705</u> | <u>1,640</u> |

5. Staff costs

An analysis of staff costs is as follows:

| | 2019 | 2018 |
|-----------------------|--------------|--------------|
| | £000 | £000 |
| Wages and salaries | 1,208 | 1,275 |
| Social security costs | 128 | 141 |
| Pension costs | 19 | 11 |
| | <u>1,355</u> | <u>1,427</u> |

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

| | 2019 | 2018 |
|----------------|-------------|-------------|
| | No | No |
| Operational | 17 | 17 |
| Sales | 6 | 6 |
| Administration | 5 | 6 |
| | <u>28</u> | <u>29</u> |

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2019

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

| | 2019 £000 | 2018 £000 |
|----------------------|--------------|--------------|
| Aggregate emoluments | 16 | 16 |
| | <u>16</u> | <u>16</u> |

Four directors did not receive any emoluments for their services as directors of the Company during the year or preceding year. Three of these 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.

7. Tax on profit on ordinary activities

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Current tax | | |
| UK current tax expense | 90 | 84 |
| Adjustments in respect of previous years | 25 | - |
| Total current tax | <u>114</u> | <u>84</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (1) | - |
| Tax on profit on ordinary activities | <u>113</u> | <u>84</u> |

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is less than (2018: less than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Profit on ordinary activities before taxation | <u>1,745</u> | <u>1,583</u> |
| Profit on ordinary activities by rate of tax | 332 | 301 |
| Expenses not deductible for tax purposes | 1 | 13 |
| Income not taxable for tax purposes | (59) | (42) |
| Group income | (134) | (84) |
| Effect of transfer pricing adjustments | (57) | - |
| Adjustments to tax charge in respect of previous years | 25 | (15) |
| Other timing differences | - | (87) |
| Deferred tax not recognised | 4 | - |
| Effect of changes in tax rates | 1 | (2) |
| Tax on profit | <u>113</u> | <u>84</u> |

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2019

7. Tax on profit on ordinary activities

Factors that may affect future tax charges

The standard rate of corporation tax in the UK was 19.00% through 2019. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 19.00% (2018: 19.00%). The deferred tax assets and liabilities reflect these rates.

8. Tangible fixed assets

| | Equipment £000 | Motor Vehicles £000 | Fixtures & Fittings £000 | Total £000 |
|---|-------------------|---------------------------|--------------------------------|---------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 460 | 3 | 38 | 501 |
| Additions | 35 | - | - | 35 |
| Disposals | (6) | - | - | (6) |
| At 31 December 2019 | <u>489</u> | <u>3</u> | <u>38</u> | <u>530</u> |
| Depreciation | | | | |
| At 1 January 2019 | 373 | 3 | 25 | 401 |
| Charge for the year | 47 | - | 7 | 54 |
| Disposals | (5) | - | - | (5) |
| At 31 December 2019 | <u>415</u> | <u>3</u> | <u>32</u> | <u>450</u> |
| Net book value at 31 December 2019 | <u>74</u> | <u>-</u> | <u>6</u> | <u>80</u> |
| Net book value at 31 December 2018 | <u>87</u> | <u>-</u> | <u>13</u> | <u>100</u> |

Stream UK Media Services Limited

Notes to the financial statements For the year ended 31 December 2019

9. Fixed asset investments

| | Total £000 |
|--|-----------------------|
| Carrying value before impairment | |
| At 1 January and 31 December 2019 | 6 |
| Provisions for impairment | |
| At 1 January and 31 December 2019 | - |
| Carrying value at 31 December 2019 and 31 December 2018 | 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 |

10. Debtors

| | 2019 £000 | 2018 £000 |
|--------------------------------------|----------------------|----------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 1,186 | 1,456 |
| Corporation tax | 44 | - |
| Amounts owed by group companies | 5 | 20 |
| Prepayments and accrued income | 330 | 487 |
| Deferred tax asset | 2 | - |
| Other debtors | 671 | 642 |
| | <u>2,238</u> | <u>2,605</u> |

Amounts owed by 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 2019

11. Creditors: amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|---------------------------------|--------------|--------------|
| Trade creditors | 190 | 156 |
| Corporation tax | - | 72 |
| Other taxes and social security | 315 | 273 |
| Other creditors | 5 | 942 |
| Accruals and deferred income | 858 | 961 |
| | <u>1,368</u> | <u>2,404</u> |

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

12. Creditors: amounts falling due in more than one year

| | 2019 £000 | 2018 £000 |
|---------------------------------|--------------|--------------|
| Amounts owed to group companies | <u>526</u> | <u>393</u> |
| | <u>526</u> | <u>393</u> |

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

13. Provisions

| | Total £000 |
|--|---------------|
| Leasehold dilapidations commitments | |
| At 1 January 2019 | - |
| Transfers | (115) |
| Additions | (7) |
| Released in the year | 25 |
| At 31 December 2019 | <u>97</u> |

This provision 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 15.

14. Reserves

Profit and loss account

Includes all accumulated profits and losses.

Stream UK Media Services Limited

Notes to the financial statements

For the year ended 31 December 2019

15. Financial commitments

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

| | 2019 £000 | 2018 £000 |
|------------------------------|--------------|--------------|
| - within one year | 32 | 229 |
| - between one and five years | - | 37 |
| | <u>32</u> | <u>266</u> |

There were no other capital commitments as at the balance sheet date (2018: £Nil).

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 2019, 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 2019. The ultimate controlling party is PA Media Group Limited.

18. Post balance sheet events

The company has determined that the Covid-19 pandemic is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact.