

Registered number: 10328077

ANUVU UK OPERATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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ANUVU UK OPERATIONS LIMITED

COMPANY INFORMATION

Directors	C M Mezger E A Sancho K L Santoro P Worthington P Panigrahi (resigned 30 November 2022)
Registered number	10328077
Registered office	The Broadway St Mary's Court Amersham HP7 0UT
Independent auditors	Ecovis Wingrave Yeats LLP Chartered Accountants & Statutory Auditors 3rd Floor Waverley House 7-12 Noel Street London W1F 8GQ

ANUVU UK OPERATIONS LIMITED

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ANUVU UK OPERATIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors of Anuvu UK Operations Limited ("the Company") present the annual report for the year ended 31 December 2022 containing the Strategic report, Directors' report and the financial statements for the year ended 31 December 2022.

Development and performance of the business

Turnover for the year ended 31 December 2022 was \$65,678,000 (2021 - \$58,460,000) and profit before taxation for the year ended 31 December 2022 was \$5,253,000 (2021 - loss of \$539,000).

Key Performance Indicators

The key performance indicators monitored by the Company are:

	2022 \$000	2021 \$000
Turnover	65,678	58,460
Gross margin (%)	24	19
Profit/(loss) after tax	4,166	(1,612)

Section 172(1) Statement

This statement sets out, in accordance with section 414CZA of the Companies Act 2006, how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duties.

The Directors consider that the Directors have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year.

As a wholly owned subsidiary and in line with the duty to promote the success of the Company for the benefit of its shareholders, the Company must also have regard to the overall strategy and direction of the Group. Any decisions are considered from the perspective of the Company, ensuring that decisions are beneficial to its stakeholders as well as having regard to the long-term sustainable success of the Group as a whole.

The Company is a significant operating subsidiary of the Group, and benefits from the governance arrangements and policies and procedures that exist within the Group. One of the Company's current Directors is a member of the Executive Leadership Team (ELT) and the others are senior managers. As part of the Group, stakeholder engagement is mostly carried out on a group wide basis. The board considers its key stakeholders, some of which overlap with those for the group as a whole, to be its employees, customer, suppliers and shareholders.

ANUVU UK OPERATIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Employees

The Company holds regular town hall meetings with the Group ELT including Q&A, with recordings and transcripts of online meetings published on our internal social media platform. Directors and senior managers of the Company also hold regular business briefings for all staff and employee feedback, both formal and informal is encouraged.

The Company is dedicated to providing outstanding workplace safety and productivity for our employees. All employees have access to a confidential whistleblowing hot line and a confidential Employee Assistance Programme is provided. Team building, charity fundraising and social events were held during the year.

Customers

The Company aims to make each customer a "reference" customer. The Company and the Group's account managers and the Anuvu ELT regularly meet with customers to understand their needs and to get feedback on Company performance.

Suppliers

The Company is committed to building and retaining better supplier relationships not only to mitigate risks but to also identify opportunities that align with our strategy to enhance our customers' experience and ultimately their end user experience. This includes understanding and developing a consistent and sustainable way to a) source media and content and b) distribute these products and services to our customers.

Principal risks and uncertainties

The Company's principal risks arise from the effects of the significant global events such as changes in regional, political economic and regulatory environments.

The principle risk of the Company is the nature of the airline market and the underlying competitive pressure on margins within the in-flight entertainment sector. The Company's ultimate parent undertaking is mitigating these risks by investments in areas outside the airline market including connectivity as well as having disciplined cost control measures in place.

The Company's activities expose it to a number of financial risks including currency risk, credit risk, interest risk and liquidity risk. As a matter of policy, the Company does not trade in financial instruments nor does it enter into any derivative transactions. Having minimal external debt, the Company has little exposure to interest rate movements.

Currency risk

The Company activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company does not enter into forward contracts or swaps to mitigate this risk due to its natural self-hedge. Its contracts are structured in such a way as to ensure that payments made in one currency are matched by receipts in the same currency. The majority of the Company's income and costs are denoted in US Dollars.

Credit risk

The Company's principal financial assets are cash balances and trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The exposure is spread over a large number of customers, which reduces credit risk.

ANUVU UK OPERATIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Interest rate and liquidity risk

The Company's finances its operations through retained profits, cash deposits, intercompany loans and bank facilities. Interest on the bank facilities is based on the relevant base rate. All of the Company's cash deposits are held in a way that achieves a competitive rate of interest whilst allowing appropriate access to working capital.

This report was approved by the board on 18 September 2023 and signed on its behalf.

Christian Mezger

C M Mezger
Director

ANUVU UK OPERATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to \$4,166,000 (2021 - loss \$1,612,000).

The directors do not recommend a dividend for the year ended 31 December 2022 (2021 - \$Nil). The Company had net current liabilities of \$48,703,000 (2021 - \$53,115,000) and net liabilities of \$48,462,000 (2021 - \$52,628,000).

Going concern

The accounts are prepared on a going concern basis. Further details of the director's assessment of going concern are disclosed in the basis of preparation section of Note 2.2.

Directors

The directors who served during the year were:

C M Mezger
E A Sancho
K L Santoro
P Worthington
P Panigrahi (resigned 30 November 2022)

Political contributions

The Company made no political contributions and incurred no political expenditure during the current year or preceding year.

Future developments

The Company continues to assess economic uncertainties and potential impacts to our business for the remainder of fiscal year 2023 and beyond, which in many cases are mainly outside of our control. Impacts assessed are the effects on the global air travel markets and customers we serve, supply chain resilience, consumer confidence and discretionary spending levels. As a result, we have and continue to evaluate and invest in supply chain innovation, implement cost savings initiatives, focusing on existing and expanding our customer base with the goal of growing and improving profitability. The directors continue to leverage the benefits of being part of a wider group of complementary companies to grow sales by providing inflight entertainment content and connectivity to customers of the parent group, whilst expanding the range of services available to existing clients. Barring unforeseen issues noted, the group is well positioned to secure further contracts and the directors view the future with confidence. Actual future results may differ materially from those expressed or implied due to a variety of important factors, many of which are beyond our control.

Matters covered in the Strategic Report

Details covering employee engagement and supplier, customer and other business relationship engagements are contained in the Strategic Report.

ANUVU UK OPERATIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There were no post balance sheet events.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its management have estimated energy consumption in the United Kingdom for the year to be lower than 40,000kWh due to downsizing their office late in 2021. The greenhouse gas emissions and energy consumption for 2021 was 502,358 kWh.

This report was approved by the board on 18 September 2023 and signed on its behalf.

Christian Mezger

C M Mezger
Director

ANUVU UK OPERATIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

ANUVU UK OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANUVU UK OPERATIONS LIMITED

Opinion

We have audited the financial statements of Anuvu UK Operations Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 2022 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ANUVU UK OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANUVU UK OPERATIONS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

ANUVU UK OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANUVU UK OPERATIONS LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

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

- We determined that the laws and regulations which are directly relevant to the financial statements are those that relate to the reporting framework FRS 102 and the relevant tax compliance regulations in the jurisdictions in which the Company operates. We evaluated the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- In addition, there are other significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to employment, occupational health and safety, data protection, fraud, bribery and corruption. For these laws and regulations, the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through fines or litigation being imposed. As required by the auditing standards, auditing procedures in respect of non-compliance with these identified laws and regulations are limited to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with a number of individuals, including with individuals outside of the finance function, and conducted interviews to understand where they considered there was susceptibility to fraud. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimate and judgement in the financial statements.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we remained alert to any indications of non-compliance throughout the audit. The specific audit procedures performed included:
 - Review of Board minutes;
 - Reviewed large and unusual bank transactions;
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing journal entries.

There are inherent limitations of an audit. There is a higher risk that irregularities, including fraud, will not be detected during the audit as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The primary responsibility for the prevention and detection of non-compliance with all laws and regulations and fraud lies with both those charged with governance of the entity and management.

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 Auditors' Report.

ANUVU UK OPERATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANUVU UK OPERATIONS LIMITED
(CONTINUED)

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 Auditors' 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.

Jessica Teague

Jessica Teague (Senior Statutory Auditor)

for and on behalf of

Ecovis Wingrave Yeats LLP

Chartered Accountants & Statutory Auditors

3rd Floor Waverley House

7-12 Noel Street

London

W1F 8GQ

Date: 18 September 2023

ANUVU UK OPERATIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$000	2021 \$000
Turnover	5	65,678	58,460
Cost of sales		(49,639)	(47,158)
Gross profit		16,039	11,302
Administrative expenses		(10,514)	(11,413)
Other operating income	5	-	98
Operating profit/(loss)	6	5,525	(13)
Interest receivable and similar income	10	102	116
Interest payable and similar expenses	11	(374)	(642)
Profit/(loss) before tax		5,253	(539)
Tax on profit/(loss)	12	(1,087)	(1,073)
Profit/(loss) for the financial year		4,166	(1,612)
Other comprehensive income for the year			
Share based payment expense		-	36
Other comprehensive income for the year		-	36
Total comprehensive income for the year		4,166	(1,576)

The notes on pages 14 to 33 form part of these financial statements.

ANUVU UK OPERATIONS LIMITED
REGISTERED NUMBER: 10328077

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Fixed assets			
Intangible assets	13	182	436
Tangible assets	14	59	51
Investments	15	-	-
		<u>241</u>	<u>487</u>
Current assets			
Stocks	16	252	1,194
Debtors: amounts falling due after more than one year	17	2,198	1,024
Debtors: amounts falling due within one year	17	38,705	28,291
Cash at bank and in hand	18	2,036	3,726
		<u>43,191</u>	<u>34,235</u>
Creditors: amounts falling due within one year	19	(91,894)	(87,350)
Net current liabilities		<u>(48,703)</u>	<u>(53,115)</u>
Total assets less current liabilities		<u>(48,462)</u>	<u>(52,628)</u>
Net liabilities		<u>(48,462)</u>	<u>(52,628)</u>
Capital and reserves			
Called up share capital	20	-	-
Share based payment reserves		-	-
Profit and loss account		(48,462)	(52,628)
		<u>(48,462)</u>	<u>(52,628)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
18 September 2023

Christian Mezger

C M Mezger
Director

The notes on pages 14 to 33 form part of these financial statements.

ANUVU UK OPERATIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital \$000	Share based payment reserves \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2021	-	1,686	(52,738)	(51,052)
Comprehensive income for the year				
Loss for the year	-	-	(1,612)	(1,612)
Share based payment expense	-	36	-	36
Transfer of share based payment reserve	-	(1,722)	1,722	-
At 1 January 2022	-	-	(52,628)	(52,628)
Comprehensive income for the year				
Profit for the year	-	-	4,166	4,166
At 31 December 2022	-	-	(48,462)	(48,462)

The notes on pages 14 to 33 form part of these financial statements.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Anuvu UK Operations Limited is a private company limited by shares, incorporated in England and Wales, registration number 10328077. The registered office is The Broadway, St Mary's Court, Amersham, United Kingdom, HP7 0UT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see Note 3).

The financial statements are prepared under the historical cost convention, modified by the revaluation of certain assets, in accordance with applicable accounting standards.

The Company has taken advantage of the exemption in FRS 102.1.12(b) Reduced disclosures for subsidiaries. A statement of cash flow has not been prepared as the Company is a member of a group where the parent, Anuvu Corp., prepares publicly available consolidated statements and the Company, is included in the consolidation.

The Company has taken advantage of the exemption in FRS 102.1.12(e) Reduced disclosures for subsidiaries. Key management remuneration has not been disclosed as the Company is member of a group where the parent, Anuvu Corp., prepares publicly available consolidated statements.

The Company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly owned subsidiary undertakings of Anuvu Corp., which prepares publicly available consolidated statements.

The Company has taken advantage of the exemption FRS 102.1.12(d) Reduced disclosures for subsidiaries. Certain share-based payments have not been presented as the Company is a member of a group where the parent, Anuvu Corp., prepares publicly available consolidated statements.

The Company has also taken advantage of the exemption allowed under section 400 of the Companies Act 2006 not to prepare group financial statements on the grounds that it is a wholly owned subsidiary of Anuvu Corp. and the Company and its subsidiary undertakings are included in the Group financial statements of that company, which are publicly available and can be obtained from Head Office, 1821 E.Dyer Road, Suite 125, Santa Ana, CA 92705. These financial statements therefore present information about the Company and not its group.

The functional currency of the Company is US Dollars because that is the currency of the primary economic environment in which the Company operates.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Going concern

The Company had net current liabilities of \$48,703,000 at 31 December 2022 (2021 - \$53,115,000) and reported a profit for the year of \$4,166,000 (2021 - loss of \$1,612,000).

Notwithstanding net liabilities noted above, the directors have prepared profit and cashflow forecasts for the period to 31 December 2023, which indicate that the business will generate positive future cash flows sufficient to meet its liabilities as they fall due for the foreseeable future. At the balance sheet date, the Company had cash reserves of \$2,036,000. During 2021 and 2022 the Company improved its margin through optimisation of content utilisation, delivering on a connectivity contract, and has undertaken initiatives to reduce its non-content cost base.

The achievement of these forecasts is reliant on the continued trade of the wider Group of which the company is part, due to the fact that the Group operates a number of central contracts from content suppliers. The forecasts are also dependent on continued financial support from the wider group, including the amounts due to other group companies not being called for repayment within the forecast period. Anuvu Corp. (ultimate parent company formerly known as Global Eagle Entertainment Inc.) has indicated that at least for 12 months from the date of approval of these financial statements it will continue to make such funds available as are needed by the Company.

However, Anuvu Corp. disclosed the following issues in relation to going concern in its 31 December 2022 audited consolidated financial statements dated 28 March 2023.

On 22 July 2020 Global Eagle Entertainment Inc., the ultimate parent company at the time, commenced voluntary proceedings under Chapter 11 of Title 11 of the United States Code, and pursued a sale of its assets, including its indirect shareholding in the Company, under a court supervised auction process. Prior to the closing of the Sale (as described below), Debtors continued to operate their business as "debtors in possession" under the jurisdiction of the Bankruptcy Court. On 15 October 2020, the Bankruptcy Court entered an order approving the sale of substantially all the Debtors' assets to Anuvu Corp., which was a new legal entity formed for the benefit of the Debtors' first lien lenders pursuant to the credit agreement. Anuvu Corp is now the ultimate parent company. On 23 March 2021, the Sale closed, and accordingly, the Company's operations were no longer in the chapter 11 process. On 29 January 2021, following a hearing, the Court entered an order confirming the Plan to wind down the Debtor entities. On 31 March 2021, the Plan was effective, and the Debtor entities entered into the process of winding down and liquidating their estates. Upon emergence from the bankruptcy proceedings, the Group have raised additional financing to pay off existing loans and support the Group going forward.

Although there remain uncertainties, as the travel industry and wider global economy are still recovering from the impacts of slower than expected return to pre-pandemic airline customer purchasing cycles, due to the expectation that the Group will have sufficient cash to enable to support the UK operations if required, the Directors have prepared the financial statements on the going concern basis.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Going concern (continued)

The Company's Directors are required to assess the Company's ability to continue to adopt the going concern basis of accounting for at least 12 months from the date the financial statements are authorised for issue. As disclosed in the financial statements for previous years, the Company has been dependent on the ongoing support of its ultimate Parent and other Group companies to continue to realise its assets and to discharge its liabilities in the normal course of business. The Group has indicated their willingness to provide support to the Company as it is required over the period of 12 months from the date the financial statements are issued. The Group believes its cash balances and cash generated from operations will be sufficient to meet its working capital requirements and capital expenditures for at least the next 12 months. The Group is actively managing and optimising its cash and is mindful of the commitments that are due.

2.3 Property, plant and equipment (PPE)

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements - 20%
Fixtures, fittings and equipment - 10 - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.4 Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Investments

Investments in subsidiaries are measured at cost less impairment.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2.7 Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

2.8 Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Stocks

The Company incurs costs to obtain necessary Supplemental Type Certificates ("STC"), or other customer-specific certifications for its customers. These are costs are held as 'Work in progress' until the associated equipment revenue is able to be recognised (see Note 2.16).

2.11 Employee benefits

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 profit and loss account in the periods during which services are rendered by employees.

2.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.15 Leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Deferred revenue consists substantially of amounts received from customers in advance of the Company's performance service period and of fees deferred for future support services. Deferred revenue is recognised as revenue on a systematic basis that is proportionate to the period that the underlying services are rendered, which in a majority of arrangements is straight line over the remaining contractual term.

The following criteria must also be met before turnover is recognised:

Licensing Revenues - The Company selects, procures, manages, and distributes video and audio programming, and provides similar applications to its customers. The Company delivers content compatible with the Company systems as well as compatible with a multitude of third-party in-flight entertainment systems. The Company acquires non-theatrical licenses from major Hollywood, independent and international film and television producers and distributors, and licenses the content to its customers. Revenue recognition is dependent on the nature of the customer contract. Content licenses to customers are typically categorized into usage-based or flat fee-based fee structures. For usage-based fee structures, revenue is recognised as the usage occurs. For flat-fee based structures revenue is recognized upon the available date of the license, typically at the beginning of each cycle, or straight-line over the license period.

Services Revenue - Services revenue for Connectivity includes satellite-based Internet services and related technical and network operational support and management services and live television. The connectivity services provide aviation customers with the capability to provide its passengers' wireless access to the Internet, which allows passengers to web-surf, email, text, and access live television. The connectivity experience also permits passengers to enjoy inflight entertainment, such as streaming for non-live television, and movies and video-on-demand, delivered through a web based framework for an initial "landing page." The revenue is recognized over time as control is transferred to the customer (i.e. the airline), which occurs continuously as customers receive the bandwidth/ connectivity services.

ANUVU UK OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.16 Turnover (continued)

Equipment Revenue - Equipment revenue is recognized when control passes to the customer, which is at the later of shipment of the equipment to the customer or obtaining the Supplemental Type Certificates ("STC"), as applicable. In determining whether an arrangement exists, the Company ensures that a binding arrangement is in place, such as a purchase order or a fully executed customer-specific agreement. The Company can objectively determine that control of a good or service has been transferred to the customer in accordance with the agreed-upon specifications in the contract, accordingly customer acceptance is a formality that does not affect the entity's determination of when the customer has obtained control of good or service. In certain cases where the Company sells its equipment to an aviation customer on a stand-alone basis, it may charge a fee for obtaining STCs from the relevant aviation regulatory body, which permits the Company's equipment to operate on certain model/type of aircraft. An STC is highly interrelated with the Connectivity services as it is often required for new equipment and/or for new types of aircrafts prior to the airlines installing the equipment. When an STC is required, it would not be sold separately as it has no value to the customer without the equipment and vice versa. As such, in such circumstances, the Company does not consider an STC separate from the equipment. To the extent that the Company contracts to charge STC fees in equipment-only sales, the Company will record these fees as revenue at the later of shipment of the equipment to the customer or obtaining the STC, as applicable.

2.17 Government grants

Government grants are accounted for under the accruals model as permitted by FRS 102. During the prior year, the Company has received governmental support through the Coronavirus Job Retention Scheme. The government grants received in the prior year are of a revenue nature and recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.18 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 Termination benefits

Termination benefits are recognised as a liability and expense in profit or loss when the Company is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Company is demonstrably committed to a termination only when there is a detailed formal plan from which there is no realistic possibility of withdrawal.

Termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

The termination benefits that arose during the year were paid out prior to the year end and so there is no outstanding liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Revenue recognition

The Company reviews contracts with its customers and identifies the components of the contract, typically sale of equipment and provision of servicing and licensing. The company considers the revenue recognition criteria for each separately identifiable component of a contract. However, where the commercial effect cannot be understood without reference to the series of transactions as a whole, for example where a discount is offered on certain elements of the contract rather than for the total contract as a whole, the discount will be spread over the total contract. This adjustment may result in the recognition of accrued or deferred income. The discount is calculated based on the difference between the contract price and the standalone selling price. Where management do not have an observable standalone selling price, they will refer to a price quoted to a similar customer by a Group company and typically management will use a cost plus margin approach.

Many of the Company's revenue contracts contains variable consideration that require management estimates. The Company's management constrains the estimates to reduce the probability of a significant revenue reversal in future periods, allocates variable consideration to the identified performance obligations and recognises revenue in the period the services are provided. Estimates are based on *historical experience, anticipated future performance, market conditions, performance of similar contracts* held by Group companies and the best judgment at the time. For the years ended 31 December 2022 and 31 December 2021, the Company's estimates included management's assumptions for the ongoing impact of COVID-19, which may include significant decline in flight levels. A significant change in one or more of these estimates could affect the estimated contract value. For example, estimates of variable revenue within certain contracts require estimation of the number of sessions or megabytes that will be purchased over the contract term and the average revenue per connectivity session, which varies based on the connectivity options available to passengers on each airline. Estimated revenue under these contracts anticipates increases in take rates over time and assumes an average revenue per session consistent with our historical experience. The estimated contract revenue may differ significantly from the initial estimates to the extent actual take rates and average revenue per session differ from the Company's historical experience. On an ongoing basis, the Company evaluates its estimates compared to historical experience and trends, which form the basis for making judgments about the carrying value of assets and liabilities. Management regularly review and update our estimates and recognise adjustments under the cumulative catch-up method. Any adjustments under this method are recorded as a cumulative adjustment in the period.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Judgments in applying accounting policies (continued)

Taxation

The Company has provided for the estimated tax liability in respect of the taxable profits arising from overseas operations on the basis that the amounts due are probable. The amount estimated is based on management's interpretations of tax regulations following advice from local advisors. The timing of the payment of the amounts to overseas tax authorities is uncertain.

Trade debtor recoverability

Management applies its judgement when estimating the recoverable value of trade and other debtors as well as amounts owed by group undertakings. When assessing the recoverability, management considers factors including but not limited to the aging profile of the debtors and historical experience as well as certain strategic factors.

Depreciation of tangible fixed assets

The useful economic lives and the residual values of assets are reassessed annually. They are amended where necessary to reflect current estimates, economic utilisation and the physical condition of the assets.

Amortisation of intangible fixed assets

Intangible assets are amortised over their estimated generation which is between 9 and 24 months.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 \$000	2021 \$000
Licensing and services	49,791	41,882
Equipment	15,887	16,578
	<u>65,678</u>	<u>58,460</u>

Analysis of turnover by country of destination:

	2022 \$000	2021 \$000
North, South and Central America	274	1,641
Europe and UK	28,143	19,010
Africa, Middle East and Asia	37,261	37,809
	<u>65,678</u>	<u>58,460</u>

ANUVU UK OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating income

	2022	2021
	\$000	\$000
Government grants receivable	-	98

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022	2021
	\$000	\$000
Depreciation of tangible fixed assets	56	462
(Gain)/ loss on disposal of tangible fixed assets	(1)	269
Amortisation of intangible fixed assets	313	579
Loss/ (gain) on foreign exchange transactions	1,104	(264)
Operating lease rentals - lease rental	41	826

7. Auditors' remuneration

	2022	2021
	\$000	\$000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	127	126
Fees payable to the Company's auditors and their associates in respect of: All other services	3	3

ANUVU UK OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	\$000	\$000
Wages and salaries	4,339	7,083
Social security costs	546	818
Compensation for loss of office as employee	-	978
Share-based payments	-	36
Cost of defined contribution scheme	303	520
	<u>5,188</u>	<u>9,435</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	\$000	\$000
Sales and marketing	16	14
Product development	-	3
Support functions and managers	7	16
Production	41	60
	<u>64</u>	<u>93</u>

9. Directors costs

	2022	2021
	\$000	\$000
For management services	145	18
Pension costs	7	1
	<u>152</u>	<u>19</u>

10. Interest receivable

	2022	2021
	\$000	\$000
Interest receivable from group companies	<u>102</u>	<u>116</u>

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Interest payable and similar expenses

	2022 \$000	2021 \$000
Bank interest payable	-	357
Loans from group undertakings	374	285
	<u>374</u>	<u>642</u>

12. Taxation

	2022 \$000	2021 \$000
Corporation tax		
Current tax on profits for the year	1,087	1,073
	<u>1,087</u>	<u>1,073</u>
Total current tax	<u>1,087</u>	<u>1,073</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Tax on profit/(loss)	<u>1,087</u>	<u>1,073</u>

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 \$000	2021 \$000
Profit on ordinary activities before tax	5,253	730
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	998	(139)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8	7
Capital allowances for year in excess of depreciation	(55)	37
Impact of overseas withholding tax	951	841
Trading losses carried forward	(951)	327
Overseas tax	136	-
Total tax charge for the year	1,087	1,073

Factors that may affect future tax charges

The Finance Act 2021 passed Royal Assent on 19 April 2021, which increased the rate of corporation tax to 25% from April 2023 for companies with profits over £250,000.

The Company has an unrecognised deferred tax asset of \$12,897,240 (2021 - \$13,895,092) that relates to losses. The directors do not think it is appropriate to recognise the asset at the current time as they consider the recoverability of the asset uncertain.

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Intangible assets

	License deal costs \$000
Cost	
At 1 January 2022	576
Additions	59
Disposals	(382)
At 31 December 2022	<u>253</u>
Amortisation	
At 1 January 2022	140
Charge for the year on owned assets	313
On disposals	(382)
At 31 December 2022	<u>71</u>
Net book value	
At 31 December 2022	<u><u>182</u></u>
At 31 December 2021	<u><u>436</u></u>

ANUVU UK OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets

	Fixtures and fittings \$000	Leasehold improvements \$000	Total \$000
Cost or valuation			
At 1 January 2022	1,000	753	1,753
Additions	66	-	66
Disposals	(680)	(753)	(1,433)
At 31 December 2022	386	-	386
Depreciation			
At 1 January 2022	949	753	1,702
Charge for the year on owned assets	56	-	56
Disposals	(678)	(753)	(1,431)
At 31 December 2022	327	-	327
Net book value			
At 31 December 2022	59	-	59
At 31 December 2021	51	-	51

ANUVU UK OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Fixed asset investments

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 January 2022	13,509
At 31 December 2022	<u>13,509</u>
Impairment	
At 1 January 2022	13,509
At 31 December 2022	<u>13,509</u>
Net book value	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

ANUVU UK OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Inflight Productions B.V.	Evert van de Beekstraat, 1-15 The Base A 7, 1118 CL, Schiphol, The Netherlands	Ordinary	100%
Global Eagle Entertainment Pty Limited	William Buck (NSW) Pty Limited, Level 29, 69-84 Goulburn Street, Sydney, NSW 2000, Australia	Ordinary	100%
Anuvu New Zealand Operations Limited	Level 3, Candida Building 4, 61 Constellation Drive, Mairangi Bay, 0630, New Zealand	Ordinary	100%
Inflight Productions Pte Ltd	101 Thomson Road # 18-05/06, United Square Singapore (307591), Singapore	Ordinary	100%
Global Eagle Entertainment FZ-LLC	DMC Building 2, 1st Floor, Office 104, Dubai Media City, PO Box 502891, Dubai, UAE	Ordinary	100%
IFE Services SA (Pty) Limited	1st Floor Block B North Park, Black River Park, 2 Fit Street Observatory, Western Cape 7925, South Africa	Ordinary	100%

The principal activity of the above subsidiary undertakings is the provision of in-flight entertainment.

Global Eagle Entertainment Pty Limited deregistered as a company on 27 March 2023.

16. Stocks

	2022 \$000	2021 \$000
Work in progress (costs incurred relating to equipment to be sold)	252	1,194
	<u>252</u>	<u>1,194</u>

ANUVU UK OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Debtors

	2022	<i>2021</i>
	\$000	<i>\$000</i>
Due after more than one year		
Prepayments and accrued income	2,198	1,024
	2,198	1,024
	2,198	1,024
	2022	<i>2021</i>
	\$000	<i>\$000</i>
Due within one year		
Trade debtors	21,482	21,388
Amounts owed by group undertakings	11,735	3,683
Other debtors	976	1,513
Prepayments and accrued income	4,512	1,707
	38,705	28,291
	38,705	28,291

There is a loan balance due from a company under common control of \$3,386,818 that has been provided for in full. The loan bears an interest rate of 3% per annum. No amounts were advanced or repaid during the year. The loan is unsecured and repayable on demand.

The remaining amounts owed by group undertakings are interest-free, unsecured, and repayable on demand.

18. Cash and cash equivalents

	2022	<i>2021</i>
	\$000	<i>\$000</i>
Cash at bank and in hand	2,036	3,726
	2,036	3,726
	2,036	3,726

ANUVU UK OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	\$000	<i>\$000</i>
Trade creditors	2,020	<i>2,173</i>
Amounts owed to group undertakings	81,481	<i>75,996</i>
Corporation tax	506	<i>228</i>
Other taxation and social security	-	<i>1</i>
Other creditors	101	<i>191</i>
Accruals and deferred income	4,459	<i>5,435</i>
Withholding tax	3,327	<i>3,326</i>
	91,894	<i>87,350</i>

Included within amounts owed to group undertakings are loan balances due to companies under common control totalling \$18,155,003. Within this balance, an amount of \$1,500,000 bears an interest rate of 0.62% + 120% of the annual mid-term applicable federal rate, a further \$4,500,000 bears an interest rate of 0.67% and \$5,000,000 a rate of 1.28% per annum.

The remaining loan balances due to companies under common control bear an interest rate of SONIA + 2% per annum. No amounts were advanced and repayments of \$937,030 were repaid during the year.

The remaining amounts owed to group undertakings are interest-free, unsecured, and repayable on demand.

20. Share capital

	2022	<i>2021</i>
	\$	<i>\$</i>
Allotted, called up and fully paid		
100 (2021 - 100) Ordinary shares shares of \$1.00 each	100	<i>100</i>

On incorporation, 100 Ordinary shares were issued at par for a consideration of £100.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to \$303,000 (2021 - \$520,000). Contributions totalling \$30,000 (2021 - \$38,000) were payable to the fund at the balance sheet date and are included in creditors.

ANUVU UK OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	\$000	\$000
Not later than 1 year	<u>2</u>	<u>7</u>

The amount recorded in the profit and loss account during the year was \$2,000 (2021 - \$7,000).

23. Contingent liabilities

The Company participates in certain long-term arrangements, entered into by another group company and certain fellow subsidiaries, with service and television providers to license and provide content that are subject to future guaranteed minimum payments. Details of these commitments are given in the 2022 annual report of Anuvu Corp.

24. Controlling party

The immediate parent undertaking was Anuvu UK Holdings Limited, a company incorporated in England. The ultimate parent company as at 31 December 2022 is Anuvu Corp., a company registered in USA.

Copies of the group financial statements of Anuvu Corp. as at 31 December 2022 can be obtained from Head Office, 1821 E.Dyer Road, Suite 125, Santa Ana, CA 92705. This is the smallest and largest group for which group financial statements are prepared which include this entity.

25. Post balance sheet events

There were no post balance sheet events that require disclosure.