

Company registration number 10328077 (England and Wales)

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**ANUVU UK OPERATIONS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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# ANUVU UK OPERATIONS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	E Asiain Sancho P Worthington A Horan R Everett	(Appointed 24 April 2024) (Appointed 24 April 2024)
<b>Company number</b>	10328077	
<b>Registered office</b>	Anuvu UK (Regus), Jubilee House 3, The Drive Office 202b Great Warley Brentwood United Kingdom CM13 3FR	
<b>Auditor</b>	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey United Kingdom GU7 1LQ	

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# **ANUVU UK OPERATIONS LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 26

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# ANUVU UK OPERATIONS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present the strategic report for the year ended 31 December 2023.

#### Development and performance of the business

Turnover for the year ended 31 December 2023 was \$66,731,000 (2022 - \$65,678,000) and loss before taxation for the year ended 31 December 2023 was \$18,869,000 (2022 - profit of \$5,253,000).

Maintaining and growing our position is dependent upon a number of factors, including the growth of Inflight Entertainment (IFE) systems (including both seatback installed and Wi-Fi IFE systems), our customers' demand for content and games across global mobility markets, the general availability of content to license from our studio partners, pricing from our competitors and our ability to manage the underlying economics of content licensing by studio. Management believes that customer demand for content and games will continue to grow in the foreseeable future and we intend to capitalize on this opportunity, but our ability to do so in part depends on our ability to harness passenger data and analytics in order to improve and customize our offerings in line with airlines served. The Company turnover increased, driven by licensing and services primarily through improved customer take rates and new business partially offset by a decrease in equipment sales. Cost of sales increased year over year resulting in lower gross profit when compared to the prior year. The increase in cost of sales was driven by the higher take rates coupled with higher licensing fees.

To support our wider Group's aviation connectivity business, we contracted with an EMEA airline to provide service and equipment. Under that agreement the equipment was delivered, installed and ongoing monthly connectivity service commenced. Due to extenuating circumstances our local partner was unable to make timely payment of outstanding debts. As a result, management reserved the outstanding debt for the year end 31 December 2023 as an exceptional item. The underlying facts, circumstances and ongoing negotiations with our local partner require additional effort to resolve favourably or unfavourably which cannot be determined at this time.

#### 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 principal 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's 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.

#### Interest rate and liquidity risk

The Company 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.

## ANUVU UK OPERATIONS LIMITED

### STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Key performance Indicators

The key performance indicators monitored by the company are:

	2024 \$'000	2023 \$'000
Turnover	68,731	65,878
Gross margin %	5	24
Profit/(loss) after tax	(22,230)	4,166

#### Promoting the success of the company

##### *Employees*

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(2)(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.

##### *Customers*

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.

##### *Suppliers*

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.

**ANUVU UK OPERATIONS LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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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.

On behalf of the board



R. Everett  
Director

Date: 31 - October - 2024

# ANUVU UK OPERATIONS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their annual report and financial statements for the year ended 31 December 2023.

#### Principal activities

The principal activity of the company continued to be that of the procurement and distribution of motion pictures and television programmes.

#### Results and dividends

The results for the year are set out on page 9.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E Asiain Sancho

P Worthington

A Horan

(Appointed 24 April 2024)

R Everett

(Appointed 24 April 2024)

C Mezger

(Resigned 15 March 2024)

K Santoro

(Resigned 5 October 2023)

#### Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

#### Statement of directors' responsibilities

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of employee engagement, supplier and customer relationship details.

## **ANUVU UK OPERATIONS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



R Everett  
Director

Date: 31 - October - 2024

# ANUVU UK OPERATIONS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ANUVU UK OPERATIONS LIMITED

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#### Opinion

We have audited the financial statements of Anuvu UK Operations Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 2023 and of its loss 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.

#### Material uncertainty related 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.

We draw attention to Note 1.2 in the financial statements, which indicates that the company incurred a loss after tax of \$22,230,000 during the year ended 31 December 2023 and, as of that date, the company's current liabilities exceeded its total assets by \$70,692,000. As stated in Note 1.2, these events or conditions, along with other matters as set forth in the Strategic Report on page 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

## **ANUVU UK OPERATIONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ANUVU UK OPERATIONS LIMITED**

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##### **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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **ANUVU UK OPERATIONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ANUVU UK OPERATIONS LIMITED**

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##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

##### **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.

*Azets Audit Services*

**Debra Saunders Bsc FCA**  
**Senior Statutory Auditor**  
**For and on behalf of Azets Audit Services**

Date: 1 November 2024

**Chartered Accountants**  
**Statutory Auditor**

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
United Kingdom  
GU7 1LQ

# ANUVU UK OPERATIONS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 \$'000	2022 \$'000
Turnover	3	66,731	65,678
Cost of sales		(63,310)	(49,639)
<b>Gross profit</b>		<b>3,421</b>	<b>16,039</b>
Administrative expenses		(10,299)	(10,514)
Exceptional item	4	(14,589)	-
<b>Operating (loss)/profit</b>	5	<b>(21,467)</b>	<b>5,525</b>
Interest receivable and similar income	9	3,205	102
Interest payable and similar expenses	10	(607)	(374)
<b>(Loss)/profit before taxation</b>		<b>(18,869)</b>	<b>5,253</b>
Tax on (loss)/profit	11	(3,361)	(1,087)
<b>(Loss)/profit for the financial year</b>		<b>(22,230)</b>	<b>4,166</b>

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 26 form part of these financial statements.

# ANUVU UK OPERATIONS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Fixed assets</b>					
Intangible assets	12		152		182
Tangible assets	13		54		59
			<u>206</u>		<u>241</u>
<b>Current assets</b>					
Stocks	16	-		252	
Debtors	17	54,724		40,903	
Cash at bank and in hand		453		2,036	
		<u>55,177</u>		<u>43,191</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(126,075)</u>		<u>(91,894)</u>	
<b>Net current liabilities</b>			<u>(70,898)</u>		<u>(48,703)</u>
<b>Net liabilities</b>			<u>(70,692)</u>		<u>(48,462)</u>
<b>Capital and reserves</b>					
Called up share capital	20		-		-
Profit and loss reserves			<u>(70,692)</u>		<u>(48,462)</u>
<b>Total equity</b>			<u>(70,692)</u>		<u>(48,462)</u>

The notes on pages 12 to 26 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 31-October-24 and are signed on its behalf by:

  
R. Everett  
Director

Company Registration No. 10328077

## ANUVU UK OPERATIONS LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital \$'000	Profit and loss reserves \$'000	Total \$'000
Balance at 1 January 2022	-	(52,628)	(52,628)
Year ended 31 December 2022:			
Profit and total comprehensive Income for the year	-	4,166	4,166
Balance at 31 December 2022	-	(48,462)	(48,462)
Year ended 31 December 2023:			
Loss and total comprehensive income for the year	-	(22,230)	(22,230)
Balance at 31 December 2023	-	(70,692)	(70,692)

The notes on pages 12 to 28 form part of these financial statements.

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

#### Company information

Anuvu UK Operations Limited is a private company limited by shares incorporated in England and Wales. The registered office is Anuvu UK (Regus), Jubilee House, 3, The Drive, Office 202b, Great Warley, Brentwood, United Kingdom, CM13 3FR.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in US Dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$'000.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel and transactions with wholly owned group members.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Anuvu UK Operations Limited is a wholly owned subsidiary of Anuvu Corp. and the results of Anuvu UK Operations Limited are included in the consolidated financial statements of Anuvu Corp. which are available from Head Office, 1821 E Dyer Road, Suite 125, Santa Ana, CA 92705.

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The Company had net current liabilities of \$70,898,000 at 31 December 2023 (2022 - \$48,703,000) and reported a loss after tax for the year of \$22,230,000 (2022 - profit after tax of \$4,166,000).

Notwithstanding net liabilities noted above, the directors have prepared formal profit and cashflow forecasts for the period to 31 December 2025, which indicate that the business will generate positive future cash flows sufficient to meet the liabilities as they fall due for the foreseeable future. At the balance sheet date, the company had cash reserves of \$453,000. During 2023 and 2022 the Company improved its turnover however margin decreased on higher take rates coupled by increasing license costs in 2023 compared to prior year. Management continues to look for opportunities to increase margin through optimisation of content and continued focus on 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. The parent company has also extended its external debt maturities to a period greater than 12 months from the date of signing. 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 funds available as are needed by the Company.

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 expenditure for at least the next 12 months. The Group is actively managing and optimising the cash and is mindful of the commitments that are due.

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

**Licensing Revenue** - 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 categorised 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 recognised 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 recognised over time as control is transferred to the customer (i.e. the airline), which occurs continuously as customers receive the bandwidth/connectivity services.

**Equipment Revenue** - Equipment revenue is recognised 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 inter-related 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.

##### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

License deal costs

Over the length of the license agreement

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10-33%
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 1 Accounting policies

(Continued)

##### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, 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. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.10 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 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified 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.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### 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 stand alone 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 judgement at the time.

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 judgements 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.

#### 3 Turnover and other revenue

	2023	2022
	\$'000	\$'000
<b>Turnover analysed by class of business</b>		
Licensing and services	62,765	49,791
Equipment	3,966	15,887
	<u>66,731</u>	<u>65,678</u>

## ANUVU UK OPERATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

<b>3 Turnover and other revenue</b>	<b>(Continued)</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Turnover analysed by geographical market</b>		
North, South and Central America	972	274
Europe and UK	14,519	28,143
Africa, Middle East and Asia	51,240	37,261
	<u>66,731</u>	<u>65,678</u>
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other revenue</b>		
Interest income	105	102
Dividends received	3,100	-
	<u>3,205</u>	<u>102</u>
<b>4 Exceptional Item</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Expenditure</b>		
Bad debt	14,589	-
	<u>14,589</u>	<u>-</u>
<b>5 Operating (loss)/profit</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	384	1,104
Depreciation of owned tangible fixed assets	61	56
Profit on disposal of tangible fixed assets	-	(1)
Amortisation of intangible assets	972	313
Operating lease charges	27	41
	<u>1,344</u>	<u>1,513</u>
<b>6 Auditor's remuneration</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	102	127
	<u>102</u>	<u>127</u>
<b>For other services</b>		
All other non-audit services	6	3
	<u>6</u>	<u>3</u>

## ANUVU UK OPERATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Production	33	41
Sales and marketing	10	16
Support functions and managers	7	7
Total	<u>50</u>	<u>64</u>

Their aggregate remuneration comprised:

	2023 \$'000	2022 \$'000
Wages and salaries	4,033	4,339
Social security costs	531	546
Pension costs	293	303
	<u>4,857</u>	<u>5,188</u>

#### 8 Directors' remuneration

	2023 \$'000	2022 \$'000
Remuneration for qualifying services	148	145
Company pension contributions to defined contribution schemes	6	7
	<u>154</u>	<u>152</u>

#### 9 Interest receivable and similar income

	2023 \$'000	2022 \$'000
Interest income		
Interest receivable from group companies	105	102
Income from fixed asset investments		
Income from shares in group undertakings	3,100	-
Total income	<u>3,205</u>	<u>102</u>

#### 10 Interest payable and similar expenses

	2023 \$'000	2022 \$'000
Interest payable to group undertakings	607	374

## ANUVU UK OPERATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

<b>11 Taxation</b>		
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	3,361	1,087
	<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
(Loss)/profit before taxation	(18,869)	5,253
	<u>          </u>	<u>          </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 23.50% (2022: 19.00%)	(4,434)	998
Tax effect of expenses that are not deductible in determining taxable profit	-	8
Capital allowances for year in excess of depreciation	(115)	(55)
Impact of overseas withholding tax	-	951
Trading losses carried forward	5,960	(951)
Overseas tax	1,885	136
Loan waiver	65	-
	<u>          </u>	<u>          </u>
Taxation charge for the year	3,361	1,087
	<u>          </u>	<u>          </u>

The Company has an unrecognised deferred tax asset of \$16,791,118 (2022 - \$12,897,240) that relates to losses. The directors do not believe it is appropriate to recognise the asset at the current time as they consider the recoverability of the asset to be uncertain.

<b>12 Intangible fixed assets</b>		<b>License deal costs</b>
		<b>\$'000</b>
<b>Cost</b>		
At 1 January 2023		253
Additions		942
		<u>          </u>
At 31 December 2023		1,195
		<u>          </u>
<b>Amortisation and impairment</b>		
At 1 January 2023		71
Amortisation charged for the year		972
		<u>          </u>
At 31 December 2023		1,043
		<u>          </u>
<b>Carrying amount</b>		
At 31 December 2023		152
		<u>          </u>
At 31 December 2022		182
		<u>          </u>

# ANUVU UK OPERATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

<b>13 Tangible fixed assets</b>	<b>Fixtures and fittings \$'000</b>
<b>Cost</b>	
At 1 January 2023	386
Additions	56
Transfers	51
	483
<b>At 31 December 2023</b>	<b>483</b>
<b>Depreciation and impairment</b>	
At 1 January 2023	327
Depreciation charged in the year	61
Transfers	51
	439
<b>At 31 December 2023</b>	<b>439</b>
<b>Carrying amount</b>	
At 31 December 2023	54
	59
At 31 December 2022	59

The fixed asset transfer is to bring in fully depreciated assets that are still in use.

<b>14 Fixed asset investments</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
	-	-
	-	-
<b>Movements in fixed asset investments</b>		<b>Shares in \$'000</b>
<b>Cost or valuation</b>		
At 1 January 2023 & 31 December 2023		13,509
<b>Impairment</b>		
At 1 January 2023 & 31 December 2023		13,509
<b>Carrying amount</b>		
At 31 December 2023		-
		-
At 31 December 2022		-

## ANUVU UK OPERATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Anuvu Netherlands Operations B.V.	Kingsfordweg 151, Amsterdam 1043GR Netherlands	Ordinary	100.00
Anuvu New Zealand Operations Limited	Level 3, Candida Building 4, 61 Constellation Drive, Mairangi Bay, 0630, NZ	Ordinary	100.00
Anuvu Singapore Operations Pte Ltd	410 North Bridge Rd., Level 3, Office 308, Singapore 188726	Ordinary	100.00
Anuvu Middle East Operations FZ-LLC	DMC Bldg. 9, 2nd Floor, Office 206, Dubai Media City, P.O. Box 502367, Dubai, UAE	Ordinary	100.00
IFE Services SA (Pty) Limited	1st Floor Block B North Park, Black River Park, 2 Fir Street Observatory, Western Cape 7925	Ordinary	100.00

The principal activity of the above subsidiary undertakings is the provision of inflight entertainment.

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

#### 16 Stocks

	2023 \$'000	2022 \$'000
Finished goods and goods for resale	-	252

#### 17 Debtors

	2023 \$'000	2022 \$'000
<b>Amounts falling due within one year:</b>	<b>\$'000</b>	<b>\$'000</b>
Trade debtors	14,560	21,482
Amounts owed by group undertakings	34,167	11,735
Other debtors	1,613	976
Prepayments and accrued income	2,027	4,512
	<u>52,367</u>	<u>38,705</u>
<b>Amounts falling due after more than one year:</b>	<b>\$'000</b>	<b>\$'000</b>
Prepayments and accrued income	2,357	2,198
	<u>2,357</u>	<u>2,198</u>
<b>Total debtors</b>	<b>54,724</b>	<b>40,903</b>

Included in amounts owed by group undertakings is a loan balance totalling \$3,564,364 (2022 - \$3,386,818) which was provided for in full in prior years. The loan bears interest at 3% per annum. \$177,546 (2022 - \$nil) was advanced during the year. The loan is unsecured and repayable on demand.

The remaining balance relates to other loans that are interest-free, unsecured and repayable on demand.

## ANUVU UK OPERATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 18 Creditors: amounts falling due within one year

	2023 \$'000	2022 \$'000
Trade creditors	5,151	2,020
Amounts owed to group undertakings	110,583	81,481
Corporation tax	2,021	506
Other creditors	3,663	3,428
Accruals and deferred income	4,657	4,459
	<u>126,075</u>	<u>91,894</u>

Included within amounts owed to group undertakings are loan balances due to companies under common control totalling \$18,154,933 (2022 - \$18,155,003). Within this balance, an amount of \$1,500,000 bears an interest rate of 0.62% plus 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%.

The remaining loan balances due to companies under common control bear an interest rate of SONIA plus 2% per annum. Amounts totalling \$nil (2022 - \$937,030) were repaid during the year.

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

#### 19 Retirement benefit schemes

	2023 \$'000	2022 \$'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	293	303
	<u>293</u>	<u>303</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end, contributions to the pension schemes totalling \$33,000 (2022 - \$29,894) were outstanding.

#### 20 Share capital

	2023 Number	2022 Number	2023 \$'000	2022 \$'000
Issued and fully paid				
Ordinary shares of \$1 each	100	100	-	-
	<u>100</u>	<u>100</u>	<u>-</u>	<u>-</u>

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 Financial commitments, guarantees and 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 2023 annual report of Anuvu Corp.

## ANUVU UK OPERATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 22 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 \$'000	2022 \$'000
Within one year	2	2

#### 23 Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with wholly-owned group members.

#### 24 Ultimate controlling party

The immediate parent undertaking was Anuvu UK Holdings Limited, a company incorporated in England. The ultimate parent company as at 31 December 2023 is Anuvu Corp., a company registered in USA.

Copies of the group financial statements of Anuvu Corp. as at 31 December 2023 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.