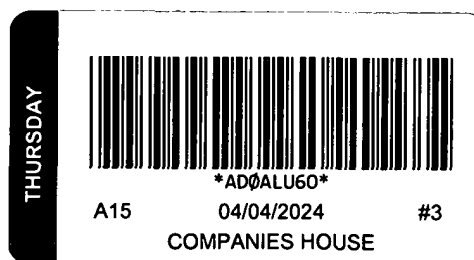


Company registered number 03080780

Synamedia Limited
Annual Report and Financial Statements
For the year from 27 June 2022 to 25 June 2023



Synamedia Limited
Annual Report and Financial Statements
Year ended 25 June 2023

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Synamedia Limited

Strategic report

Year ended 25 June 2023

Introduction

The directors present their Strategic report for the year from 27 June 2022 to 25 June 2023.

Our products, markets and customers

Synamedia supports the largest pay TV and streaming companies in the world, securing their content and powering playout to customers across all platforms.

The Company is delivering the world's most advanced, complete and secure cloud video solutions to help broadcasters, service providers and content owners to enrich and deliver secure video and broadband services.

The Company has a rich heritage in the global pay-tv markets spanning more than 30 years. It is an industry leader in broadcast technologies with video network, cloud and software solutions. The Company leverages established industry expertise and know-how to support reliable and secure television services and user experiences. It is also a category pioneer in solutions and services that support pay TV providers' shift from traditional broadcast over satellite, cable and terrestrial to IP and streaming.

More recently, the explosion in content and streaming services has created demand for the Company's SaaS and cloud solutions that solve video providers' biggest pain points - how to rapidly launch and update services to be competitive, and how to monetise their platform in a highly competitive environment.

To meet this need the Company has pivoted in recent years, moving away from just having highly customised solutions to launching more standardised, SaaS-based pre-integrated products that can be easily and quickly adapted for a specific customer's needs with a focus on minimising the cost of ownership. We continue to support our large pay TV customers' technology and deployments with strong professional services and hands on approach when need be.

The flexibility and agility of the Company's newer products allow customers to quickly launch, monetise, and scale services. The award-winning portfolio includes a cloud video suite, advanced addressable advertising and business analytics solutions.

Business review and key performance indicators

During the year, the Company maintained focus on the continuing provision of world class service levels to existing customers, recognising a substantial opportunity to cross-sell newer products into its existing customer base and beyond.

The Company is a leader in the established broadcast technologies market, providing security and set-top box software to enrich and protect operators' services. It enjoys an unmatched track record in TV and video security.

The Company provides conditional access technologies for customers who operate satellite and cable pay TV services. In addition, it also offers a cloud-based video platform. It earns revenue in respect of licence fees, smart cards and set top box licence fees and royalties, professional services, support and maintenance services.

The Company's Foundation platform is a hybrid/IP cable-DTH broadcast solution which is used by more than 30 operators with multi-year agreements driving predictable recurring revenue. The Company continues to innovate to help these customers further monetise their assets.

Synamedia Limited
Strategic report (continued)
Year ended 25 June 2023

Revenue for the financial year was £171.3m (2022: £178.6m) and EBITDA for the financial year was £35.m (2022: £(8.8)m). EBITDA is defined as earnings before interest, tax, depreciation and amortisation and is considered by the Directors to be a key performance measure.

The revenue declines were anticipated as the Company continued executing on its transformation strategy. During the current and previous years, the Company completed contract negotiations with key customers to establish multi-year enterprise licence agreements, providing clear revenue visibility and predictability and a shift from previous reliance on pay TV subscriber numbers and card shipments. The impact of these contract changes combined with reduced variable revenues from smartcards and professional services was the key driver of the revenue decline.

At the year-end, the Company performed a review of all of its aged inventory. As a result of this review a provision of £4.7m was made against the carrying value of inventory for which future demand was uncertain. As a result of above inventory provision gross profit margins dropped from 91% to 88%.

During the year the Company undertook restructuring of its business model, as part of a wider Group strategic initiative. This is described further in the paragraph 'Key Decisions made by the Directors of the Company' below. As a result of this initiative the headcount reduced to 323 at the year-end (2022: 374).

EBITDA increased due to a £81.6m reduction in administrative costs to £176.2m (2022: £257.8m). These ongoing costs reduced following restructuring initiatives across the Company and Group, with a significant reduction in costs recharged to the Company from overseas R&D cost centres.

Research and development

The Company and its subsidiaries operate a number of research and development sites in India, Israel, the UK and the US and many of the subsidiaries' workforce are involved in research and development activities. The total expenditure on research and development activities in the year ended 25 June 2023 by the Company was £94.2m (2022: £125.6m).

Subsidiaries and branches outside the UK

The Company has subsidiaries as well as a number of non-registered entities, such as branches, in jurisdictions outside of the UK. The various jurisdictions include India, Israel and China.

Human rights and anti-bribery and corruption

The Company is committed to the highest standards of ethics, honesty and integrity. The Company's Anti-Bribery policy outlines the expected standards of conduct that colleagues, contractors, suppliers and business partners are obliged to follow. The policy also includes detailed procedures around giving and receiving gifts, hospitality and entertainment; procedures for engaging new suppliers and partners; and clear reporting channels, including for confidential whistleblowing. As such every June, a campaign on these topics takes place with our annual compliance training. Each worker completes training and is required to pass a completion text on topics including: Promoting Diversity & Avoiding Discrimination in the Global Workplace, Global Business Ethics, Global Anti-bribery, EU General Data Protection Regulations, Financial Integrity, Global Workplace Harassment Prevention for Employees.

Synamedia Limited
Strategic report (continued)
Year ended 25 June 2023

The Company has a zero-tolerance approach to Modern Slavery of any kind within our operations and supply chain and we recognise that it is our responsibility to take a robust approach to slavery and human trafficking. We strive to act ethically and with integrity in all our business dealings to protect the human rights of workers, both within our business and our supply chains. Our key policies and procedures which contribute to minimising the risk of modern slavery and human trafficking include our employee Code of Conduct, our Supplier Code of Conduct and our Whistleblowing policy.

The Company has adopted the Responsible Business Alliance (RBA) (formerly Electronics Industry Citizenship Coalition) Code of Conduct. The Code reflects the basic tenets of responsible manufacturing agreed upon by the electronics industry. The Company requires its vendors to operate in accordance with the RBA Code of Conduct, which includes provisions covering responsible management in labour, health and safety, environment and ethics.

Section 172(1) statement

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which 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 and, in doing so, to have regard (amongst other matters) to:

- a) The likely consequences of any decisions in the long-term.
- b) The interests of the Company's employees.
- c) The need to foster the Company's business relationships with suppliers, customers and others.
- d) The impact of the Company's operations on the community and environment.
- e) The desirability of the Company to maintain a reputation for high standards of business conduct.
- f) The need to act fairly between members of the Company.

Set out below are some examples of how the Directors have had regard to the matters set out in Section 172(1)(a) – (f) when discharging their duties, and the effect of that on decisions taken by them.

Key decisions made by the Directors of the Company

During the year the Directors focussed their efforts on streamlining the Company's operations in line with their strategic objective of optimising profitability and delivering shareholder value. The transformation programme implemented reduced people costs, partly through natural attrition of roles that have not been backfilled with the remaining reductions resulting from redundancy programs. Once an employee has been notified of redundancy their redundancy costs have been recognised as separately disclosed items, their employment costs continued as operating costs until they ceased to work for the Company. The Directors have performed an assessment on the sufficiency of the current headcount required to deliver the business's forecasts and deem it sufficient. Non-people cost savings have been achieved primarily through full or partial exit of offices, optimisation of third party supplier costs and a reduction in travel costs.

The Directors maintained the Company's focus on the continuing provision of world class service levels to existing customers, recognising a substantial opportunity to cross-sell newer products into its existing customer base and beyond.

Synamedia Limited
Strategic report (continued)
Year ended 25 June 2023

Section 172(1) statement (continued)

Engagement with stakeholders

The Directors are responsible for leading stakeholder engagement and believe that considering stakeholders in key business decisions is the right thing to do for the success of the business.

Stakeholders are grouped into five key categories with an overview of why they are considered as key, and how they were engaged throughout the year.

Employees

Why we engage: We believe that all employees play a vital role in ensuring the success of the Company and we have a global and diverse workforce which reflects our global customer base. We believe it is important to engage with employees about matters that concern them and provide forums where they can provide feedback and input to help shape the future of the business. We also recognise the importance of feedback and recognition in developing a culture of collaboration and growth.

How we engage:

- The Executive Leadership Team hosts quarterly all company meetings to update employees in relation to matters impacting them including business strategy, the Company's performance, key wins, learnings, employee programmes and initiatives. The global all company meetings are shortly followed by Business Unit specific all-hands meetings to share further context, give an opportunity for further questions and clarity and specific updates that are relevant for their area of the business.
- We communicate and host employee and manager enablement sessions through the year to support them in attracting and retaining their best talent. Engagement is measured in a number of ways. The Company uses CultureAmp, a platform for engagement that enables managers to see the confidential results of their team. There are surveys that measure engagement against a number of different groups.
- Our Horizon Corporate Social Responsibility (ESG) programme gains feedback and progresses with initiatives that focus on sustainability, respect, and responsibility. This keeps a focus on giving back to the community where people are most passionate about.
- The Company has also started a more direct focus on ESG (environment, social, governance) and created a community of key stakeholders across the business who are contributing to each of those areas. This community works together to define objectives for each of the areas of ESG to keep a focus on improvement, alignment with customers and the market and focussing on core drivers for an employer of choice.
- Diversity, Equity and Inclusion is a key focus for the Company with a focus on diversity groups across the organisation. Effort and investment is made to ensure communities feel supported through the year with events marking Black History Month, International Women's Day, Pride, Mental Health, Neurodiversity and Cultural Awareness. The Company also conducts twice annual global equal pay audits to ensure total compensation is fair and equitable across diverse groups.

Synamedia Limited
Strategic report (continued)
Year ended 25 June 2023

Customers

Why we engage: The Company is part of the world's largest independent video software provider, building and delivering the world's most complete, secure and advanced end-to-end open video delivery solution. We engage with our customers around the world to help them deliver, protect and monetise video content so that they can succeed in the age of Infinite media streaming.

How we engage:

- Senior management and Directors regularly meet with customers to discuss their requirements and encourage a collaborative working relationship.

- Company representatives attend key trade shows and other industry events to engage with customers and prospects, while showcasing new solutions online and via webinars.

Key suppliers and partners

Why we engage: The Company has a global and diverse supplier base which reflects our global operations.

How we engage:

- The Company has adopted the Responsible Business Alliance (RBA) Code of Conduct (formerly the Electronics Industry Citizenship Coalition Code of Conduct).

- Payment policies, practice and performance in the UK are reported through the Government's Payment Practices Reporting portal.

- Senior management and Directors regularly meet with large vendors to discuss the Company's requirements and to encourage a collaborative working relationship.

Shareholders

Why we engage: We have regular reporting updates with our shareholders. We maintain a working relationship with the shareholders to deepen their understanding of the Company, its performance, position and prospects.

How we engage:

- Our shareholders have representation on the Board of Triton Holdco Limited, the Company's parent entity.

- The Board maintains a dialogue with the shareholders on the performance and governance of the Company.

Risks and uncertainties

The Directors have identified the following principal risks and uncertainties facing the Company:

Changes in economic and market conditions

Risk – The risk that results may be adversely affected by unfavourable economic or market conditions and uncertain geopolitical environments. Due to the global nature of our operations and customers, political or economic changes or other factors in a specific country or region could arise.

Synamedia Limited
Strategic report (continued)
Year ended 25 June 2023

Engagement with stakeholders (continued)

Risks and uncertainties (continued)

Mitigation – The Company considers that its broad product portfolio and geographically diverse customer base protect it to an extent from localised unfavourable economic or market impacts. The Company has a stable core customer base with a natural resilience to short-term macro-economic headwinds.

Credit

Risk – Exposure to credit risk, particularly customers in less-developed regions.

Mitigation – The Company provides mission-critical services to customers. It monitors and reports on its debtors regularly and has clear escalation pathways in the event of late payment.

Macro-economic outlook

Risk – The Company is exposed to the effects of higher interest and inflation rates globally on both its customers and its cost base.

Mitigation – The Company monitors interest rate and inflation expectations regularly with advisors and takes relevant actions to safeguard and optimise its trading positions. Whilst the Company did not transact an interest rate hedge in the year, it will do so if and when it deems the market conditions to be favourable. The Company did transact foreign exchange hedges to provide more certainty to the Company's cashflows.

Competitive landscape and product development

Risk – The risk that we are unable to respond quickly to emerging technological trends and customers' changing needs to develop the next-generation products and services, resulting in competitors moving faster than the Company, leading to loss of customers.

Mitigation – The Company invests significantly in its R&D function. The Company considers that this investment allied to its access to capital, long-term revenue streams and market-leading expertise in its field enables it to respond to new technological trends and maintain its market-leading position.

Reliance on third parties and supply chain issues

Risk – The risk of loss as a result of reliance on third parties carrying out core business activities.

Mitigation – The Company regularly reviews its supplier relationships including monitoring and reporting of inventory balances in line with lead times and sale forecasts to ensure it stays on track to deliver its key performance obligations.

Data security

Risk – Financial loss and reputational damage due to a breach of confidential data or technology disruption caused by an internal or external attack on the Company or its third party suppliers.

Mitigation – The Company has robust data security policies and has put robust processes and practises, including employee training programmes, in place to manage data security risks.

Synamedia Limited
Directors' report
Year ended 25 June 2023

The Directors present their report and the audited financial statements of the Company for the year ended 25 June 2023.

Future developments

Information about the future strategic direction of the Company is included in the Strategic report.

Dividends

No dividends were paid in the year (2022: none) and none are recommended.

Donations

No political donations or contributions to political parties were made, and no political expenditure was incurred by the Company during the year (2022: nil).

Directors

The Directors who served during the year and up to the date of this report are shown below:

Paul Segre

Bijal Patel (resigned 10 February 2023)

Ismat Levin

Financial instruments

Details of the Company's financial instruments and the financial risk management are included in note 1 to the financial statements.

Employee engagement, diversity and inclusion

Synamedia is committed to being a 'Great Place to Be' with a culture of openness, inclusivity, accountability, and our commitment to each other. FY23 continues to build on the foundations that were established in the previous year. The Company has implemented a shift in the operating model, realignment and right sizing that was driven to simplify, reduce complexities and increase accountability and ownership across Synamedia's three lines of business: Broadcast Technology, Media Cloud Services and Video Network. The year has focused on embedding changes, process improvements and fostering collaboration and a success-oriented focus designed to retain the best and most diverse talent in the industry.

The Company's overall engagement to its people focuses on four pillars of employee value proposition outlined below:

Total Reward

The Company's total reward strategy sets out the design and recommendations to support and advance its objective to attract and retain the best talent. It is principle-driven, balances pay for performance with fair pay, is simple, transparent and takes a total reward approach (fixed, variable, allowances, and long-term incentives).

We communicate and host employee and manager enablement sessions to help them understand the reward principles including budget build, the importance of differentiating reward, market awareness, fair pay (including bias) and insights to provide managers with objectives artifacts and data to make evidence-based decisions. This capability building at manager level ensures that a total reward approach is considered and leveraged to ensure that the decision-making drives fair and competitive pay as well as incentivising top talent to focus on retain, growth and development.

Synamedia Limited
Directors' report (continued)
Year ended 25 June 2023

Benefits & Practices

The Company's employee benefits and other practices are underpinned by our commitment to our people and their families. For all markets, the Company benchmarks annually the full suite of insured benefits available to employees and ensures market alignment. In key markets it also implements differentiators for competitiveness.

Careers

As part of our strategy, careers are always top of mind specifically being able to grow, take on new opportunities and progress. As part of enabling careers, we have created the Elevate programme which has several key elements to support people to grow within the company – be it within role, a lateral move or progressing to their next role.

We actively promote internal opportunities, this is complemented by our internal opportunities policy that gives our own people priority for roles available across the globe and a focus on managers to take accountability for being a net promoter of talent for the organisation. This has accelerated our ability to have over 20% of our people take on a new role in FY23.

Culture

The Company considers its leader-led communication and engagement pivotal to both measuring progress and gaining insight and fundamental to its people-listening strategy that shapes the Company's culture. The listening strategy is integrated with all that Company does, and it measures the pulse of the organisation through the career lifecycle from hire to retire. This includes hire experience, onboarding, twice annual engagement checks and exit surveys.

The Company's insights shape its action including its communication strategy, which is driven from a regular cadence of Executive led global, functional and local engagement that balances 'just in time updates' to a more structured quarterly cadence of global, site and functional all hands calls supplemented with individual leadership messages to address sentiment, strategy, progress, and next steps.

As part of the Company's inclusion commitments, representation of all marginalised groups is a priority with celebrations in March for International Women's Day, June for Pride and October and February for Black History Month (UK, US, Canada). This year also introduced Mental Health week and Neurodiversity week with information and education for our people globally. In FY23 we have our first established employee resource groups. The first being Pride+ for community and ally members to support LGBTQ+ progress and a Synamedia Women's Network which is in the early stages.

Energy and carbon reporting

This section includes reporting of greenhouse gas emissions pursuant to The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The methodology used to calculate emissions is based on the "Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance" (March 2019) issued by the Department for Business, Energy & Industrial Strategy (BEIS). We have also used CO2 conversion factors from 2015 DEFRA GHG – GCV basis for the UK within our reporting methodology.

Synamedia Limited
Directors' report (continued)
Year ended 25 June 2023

Synamedia Limited has completed an Energy Savings Opportunity Scheme ('ESOS') submission to the Environment Agency. The data compiled in fulfilment of this regulatory requirement is below:

UK energy use	2023		2022	
	kWh per annum	tCO ₂ e per annum	kWh per annum	tCO ₂ e per annum
Gas (Scope 1 and 3)	195,901	54	114,903	35
Electricity (Scope 2)	706,182	146	578,520	112
Transport (Scope 3)	166,198	38	141,904	35
Total	1,068,281	182	835,327	182

Intensity ratio	2023	2022
tCO ₂ e per employee	0.93	0.52

During the year the Company recorded energy consumption at property leased in Chandlers Ford which remained unoccupied. In the prior year Chandlers Ford was not included in the calculation as the Company had served termination on its occupation under the lease agreement, as a result all associated costs for the building were not the Company's responsibility. There was a subsequent agreement for the Company to enter into a new sub lease arrangement and as such the facilities costs became the responsibility of the Company again resulting in additional gas consumption of 90,556 kWh and additional electricity consumption of 180,095 kWh during the year.

During the year several activities have been undertaken that have reduced energy consumption at Synamedia such as:

- Adjustments to Building Management Systems to reduce the operating energy and improve energy efficiency.
- Installation of LED lights at our Maidenhead facility to improve energy efficiency commenced and will complete in the year to June 2024.

Going concern

The financial statements have been prepared on a going concern basis. The Company made a profit of £8.8m (2022: loss £34.6m) for the financial year after taxation and the net liabilities at 25 June 2023 were £119.6m (2022: £128.4m).

The Directors have undertaken an assessment of the Company's ability to continue as a going concern for the foreseeable future, which is regarded as the period ending 31 March 2025.

The Company remains reliant on support from its parent company, Triton UK Midco Limited. The Company has received written confirmation from Triton UK Midco Limited of its intention and ability to continue to provide financial support to the Company for the period to 31 March 2025. The Directors are also directors of Triton UK Midco Limited and, based on their knowledge and having made enquiries, the Directors believe that Triton UK Midco Limited has the ability to provide such financial support should this be required.

Accordingly, the Directors believe that it is appropriate to prepare the Company financial statements on a going concern basis.

Synamedia Limited
Directors' report (continued)
Year ended 25 June 2023

Statement of disclosure of information to the auditors

Each of the Directors who held office at the date of approval of this Directors' report confirms that: so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and that he/she has taken all steps that he/she ought to have taken as a Director to make him/her aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the Company financial statements in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. They have also been prepared under the historical cost convention and in accordance with the Companies Act 2006.

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 for that year.

In preparing the Company's financial statements the Directors, are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that, to the best of our knowledge, we have complied with these requirements and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the financial statements.

Synamedia Limited
Directors' report (continued)
Year ended 25 June 2023

The Strategic report and the Directors' report on pages 2 to 12 have been approved and are signed by order of the Board by:

DocuSigned by:
Paul Segre
449A45EBE57F48A...

Paul Segre
Director
One London Road,
Staines-Upon-Thames,
London,
Middlesex,
TW18 4EX
United Kingdom,
26 March 2024

Independent auditor's report to the members of Synamedia Limited

Year ended 25 June 2023

Opinion

We have audited the financial statements of Synamedia Limited for the year ended 25 June 2023 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Balance Sheet and the related notes 1 to 21, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 25 June 2023 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 the period to March 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Synamedia Limited (continued)

Year ended 25 June 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 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 8-12, 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent auditor's report to the members of Synamedia Limited (continued)
Year ended 25 June 2023

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework including FRS 101, the Companies Act 2006, and the relevant direct and indirect tax legislation in the jurisdictions in which the company operates. In addition, the company has to comply with relevant employment and labour laws in those jurisdictions, and with laws and regulations affecting its operations including those related to health and safety, anti bribery and corruption, and data protection.

- We understood how the company is complying with those frameworks by performing enquiries of management, those charged with governance and in-house legal counsel as to policies and procedures for maintaining compliance in these areas, and as to any actual or potential instances of non-compliance. We corroborated the results of our queries through the review of supporting documentation including board meeting minutes, and by considering the results of our other audit procedures across the company. We also reviewed correspondence with relevant authorities.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by performing enquiries of management and those charged with governance about their knowledge of actual or potential fraud, obtaining an understanding of opportunities and incentives that may exist within the company for fraud including management override, and by using data analytics in our audit procedures. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing with a focus on manual journals and unusual postings based on our understanding of the business. In addition, we reviewed the compliance of the disclosures in the annual report and financial statements with applicable requirements.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Addison (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
27 March 2024

Synamedia Limited
Statement of comprehensive income
Year ended 25 June 2023

		Year ended 25 June 2023	Year ended 26 June 2022
	Note	£m	£m
Revenue	3	171.3	178.6
Cost of sales		(20.1)	(16.0)
Gross profit		151.2	162.6
Administrative expenses		(176.2)	(257.8)
Other income	4	40.2	66.1
Operating profit/(loss)	5	15.2	(29.1)
Interest payable and similar charges	8	(3.9)	(0.6)
Profit/(Loss) before taxation		11.3	(29.7)
Taxation	9	(2.5)	(4.9)
Profit/(Loss) for the financial year		8.8	(34.6)
Total comprehensive profit/(loss) for the financial year		8.8	(34.6)

All of the activities of the Company are classed as continuing.

There is no difference between the profit for the financial year as shown in the statement of comprehensive income and its historical cost equivalent.

The Company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 19 to 36 form part of these financial statements.

Synamedia Limited
Statement of changes in equity
Year ended 25 June 2023

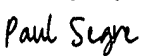
	Called-up share capital £m	Retained loss £m	Total £m
Balance as at 27 June 2021	-	(93.8)	(93.8)
Loss for the financial year	-	(34.6)	(34.6)
Balance as at 26 June 2022	-	(128.4)	(128.4)
Profit for the financial year	-	8.8	8.8
Balance as at 25 June 2023	-	(119.6)	(119.6)

The notes on pages 19 to 36 form part of these financial statements.

Synamedia Limited
Balance sheet
As at 25 June 2023

	Note	As at 25 June 2023 £m	As at 26 June 2022 £m
Non-current assets			
Intangible assets	12	47.7	64.4
Property, plant and equipment	13	3.8	4.0
Investments	10	29.9	29.9
Deferred tax assets	11	7.0	8.8
Other non-current assets		2.6	2.7
		91.0	109.8
Current assets			
Inventories	15	4.7	10.3
Trade and other receivables	14	95.2	78.3
Cash and cash equivalents		5.6	0.3
		105.5	88.9
Current liabilities			
Derivative financial instruments	16	(1.2)	-
Trade and other payables	16	(301.0)	(312.1)
		(302.2)	(312.1)
Non-current liabilities			
Trade and other payables	17	(4.2)	(4.1)
Provisions for liabilities	18	(2.7)	(2.1)
Deferred tax liabilities	11	(7.0)	(8.8)
		(13.9)	(15.0)
Net liabilities		(119.6)	(128.4)
Equity			
Called-up share capital	19	-	-
Retained loss		(119.6)	(128.4)
Total equity		(119.6)	(128.4)

These financial statements were approved by the Board of the Directors and authorised for issue on 26 March 2024 and are signed on their behalf by:

DocuSigned by:

448A45EBE57F48A...

Paul Segre
Director

Company number: 03080780

The notes on pages 19 to 36 form part of these financial statements.

Synamedia Limited
Notes to the financial statements
Year ended 25 June 2023

1. Accounting policies

Corporate information

The Company is a company limited by shares incorporated in the United Kingdom, which is registered and domiciled in the United Kingdom at One London Road, Staines-Upon-Thames, London, Middlesex, TW18 4EX.

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The Company's financial statements are presented in GBP Sterling which is the Company's functional currency and all values are rounded to the nearest one hundred thousand GBP Sterling, except when otherwise indicated.

The principal accounting policies, which have been applied consistently in the preparation of these financial statements, are set out below.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- Additional comparative information as per IAS 1 *Presentation of Financial Statements* paragraph 38 in respect of a reconciliation of the number of shares outstanding at the start and end of the prior period.
- A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead).
- Disclosures in relation to the objectives, policies and process for managing capital.
- Certain disclosures required under IFRS 15 *Revenue from Contracts with Customers*, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations.

Cash flow statement

At 25 June 2023, the Company was a wholly owned subsidiary of Triton UK Midco Limited, which prepares publicly available consolidated financial statements including a consolidated cash flow statement. In accordance with FRS 101 paragraph 8 (h), no cash flow statement is included in these financial statements.

Consolidated financial statements

At 25 June 2023, the Company was a wholly owned subsidiary of Triton UK Midco Limited, which prepares publicly available consolidated financial statements in which the results of the Company are included. Therefore the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of Triton UK Midco Limited's registered office is One London Road, Staines-Upon-Thames, London, Middlesex, TW18 4EX.

Related party transactions

As the Company is a wholly owned subsidiary of Triton UK Midco Limited, the Company has taken advantage of the exemption contained in FRS 101 paragraph 8 (k) and has therefore not disclosed transactions with wholly owned subsidiaries which form part of the Group.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

1. Accounting policies (continued)

Financial instruments

The Company does not actively use hedging instruments to hedge recognised exposures or projected exposure as they forecast to materialise. Financial Assets and liabilities are classified into the relevant category and recognised at fair value. Amortised costs in relation to debt is calculated using effective interest rate method.

During the year company entered into a foreign exchange forward contract which is marked to market as of the balance sheet date and any gains or losses are recognised in the Income Statement.

During the year the Company incurred a loss on forward foreign exchange contracts of £1.2m as measured at the balance sheet date.

Going concern

The financial statements have been prepared on a going concern basis. The Company made a profit of £8.8m (2022: loss £34.6m) for the financial year after taxation and the net liabilities at 25 June 2023 were £119.6m (2022: £128.4m).

The Directors have undertaken an assessment of the Company's ability to continue as a going concern for the foreseeable future, which is regarded as the period ending 31 March 2025.

The Company remains reliant on support from its parent company, Triton UK Midco Limited. The Company has received written confirmation from Triton UK Midco Limited of its intention and ability to continue to provide financial support to the Company for the period to 31 March 2025. The Directors are also directors of Triton UK Midco Limited and, based on their knowledge and having made enquiries, the Directors believe that Triton UK Midco Limited has the ability to provide such financial support should this be required.

Accordingly, the Directors believe that it is appropriate to prepare the Company financial statements on a going concern basis.

Foreign currency translation

The Company financial statements are presented in GBP Sterling, which is the Company's presentational currency and the functional currency. Transactions in other currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a currency other than GBP Sterling are translated using the exchange rates as at the dates of the initial transactions.

Income and deferred taxes

The Company's tax charge is the sum of the total current and deferred tax charges calculated by reference to the legal requirements applying to each jurisdiction in which the Company operates.

As an integral part of this process, the Company applies its judgement in order to determine the tax charge applying to those matters for which the final tax treatment is considered by the Company to be uncertain.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

1. Accounting policies (continued)

Income and deferred taxes (continued)

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences are recognised in the period in which such determination is made.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable or offsetting deferred tax liabilities from which the future reversal of the underlying timing differences can be deducted.

Investments

Investments in subsidiary undertakings are stated at cost less accumulated impairment losses.

Income from investments is included in the statement of comprehensive income only if received, or declared and receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that an investment in a subsidiary is impaired. An investment in a subsidiary or associate is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the investment in a subsidiary or associate that can reliably be measured.

Revenue from contracts with customers

The Company has applied IFRS 15: "Revenue from Contracts with Customers" in accounting for revenue.

Revenue represents the consideration received or receivable from customers for services and products provided and is stated excluding sales tax, trade discounts and other provisions (for example rebates and rights of return).

The Company recognises revenue when it satisfies a performance obligation by transferring control of a product or service to a customer. In assessing the application of IFRS 15, the Company identifies the separate performance obligations for each contractual arrangement.

Contract types

The Company's contracts typically include the following revenue streams:

Agreement type 1: Conditional access licence plus smart cards and support

In these types of agreements, the Company delivers and receives fees for:

- An upfront licence to the customer (with associated hardware and software installation, integration and setup services to establish the licence for use with the customer's existing platforms and infrastructure);
- Smart cards and/or Set Top box (STB) licences;
- Support and maintenance;
- Warranties.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

1. Accounting policies (continued)

Agreement type 2: Development contracts

In cases where a customer requests specific software and hardware, the Company enters into a development contract. Under this type of agreement, the Company is contracted and receives fees to:

- Develop bespoke software on a term or a perpetual licence based on the specifications provided by the customer;
- Deliver any hardware required for the development phase;
- Provide support and maintenance for developed or in-built customised software.

Agreement type 3: Manufacturers' royalty contracts

In this type of agreement, the Company enters into a contract with either a manufacturer or an operator for the manufacture of decoders, Set Top Boxes (STBs) or other hardware (that incorporates Synamedia Intellectual Property (IP) or technology). In these type of contracts the Company is contracted to provide and receives fees for:

- A licence of its IP for which royalty income is earned based on the number of products manufactured/activated.
- Integration service for integrating the IP with the manufacturer's existing systems and network.

Agreement type 4: Service/Cloud

In this type of contract, Synamedia provides cloud-based digital video services (e.g. video recorder ("cDVR")) to the customer who in turn provides this to the end consumer. As a result, Synamedia is contracted and receives fees to:

- Provide Cloud-based software (including software upgrades) fees can be based on a minimum commitment and/or subscriber fees based on actual number of users.
- Provide regular updates to the cloud platform software and device applications provided to end users.
- Provide related on-boarding and service desk support to the customer.
- Provide a service desk which could be web based or telephone support where the customer can log issues noted to the service.

Performance obligations

At contract inception, the separate performance obligations under the contract are determined and the total contract price, net of any amounts payable to the customer, is allocated between the separate performance obligations based on the relative standalone selling price, which may be estimated. The Company has not, to date, entered into any contracts with a significant financing element.

Revenue is recognised on completion of each performance obligation, either over time or at a point in time as applicable. Where performance obligations are satisfied over time, progress towards complete satisfaction of that performance obligation is measured using the most suitable method. The Company uses the percentage-of-completion method in accounting for long term contracts. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed. For in-progress long term contracts the Company recognises revenue based on a comparison of the number of hours actually spent on the contract with the total number of hours expected to complete the contract e.g. an input based method to estimate the percentage-of completion.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

1. Accounting policies (continued)

This method relies on estimates of total expected labour costs or total expected labour hours to complete the service, which are compared to labour costs or labour hours incurred to date, to arrive at an estimate of the percentage of revenue earned to date. Factors considered in the estimates include: changes in scope of the contracts, delays in reaching milestones, complexities in contract delivery, availability and retention of qualified professionals and/or the ability of the subcontractors to perform their obligation within agreed upon budget and timeframes. Management regularly reviews underlying estimates of total expected labour costs or hours.

Under agreement type 1, performance obligations in relation to delivery of licences and smart cards are satisfied at the point in time that each is delivered to the customer; support and maintenance is generally satisfied over time on a straight-line basis.

Under agreement type 2, the performance obligations in respect of both software development and support and maintenance are assumed to be satisfied over time; the performance obligations on hardware delivered are satisfied at a point in time.

Under agreement type 3, the performance obligation for the integration service is satisfied over time; royalty income arising from the provision of the licence is recognised on a usage basis.

Under agreement type 4, each month is treated as a distinct performance obligation, with each obligation assumed to be recognised over time.

Key judgements

The most significant judgements and sources of estimation uncertainty relate to ascertaining the relative standalone selling price and allocating this between the separate performance obligations, accounting for variable consideration and identifying contract modifications.

Royalties

Where revenue includes a usage-based element, for example under agreement type 3 above, revenue is recognised at the later of a) when the subsequent sales or usage occur; and b) the satisfaction or partial satisfaction of the performance obligation to which some or all of the sales or usage-based royalty has been allocated.

Cost of sales

Cost of sales primarily consists of inventory or software and licence fees used in delivering the product or service to the customer. These costs are recognised in the income statement in the same period as the related revenue or over the period of the license fee if the license period has a shorter duration than the related revenue period.

The Company has not, to date, incurred any significant costs in obtaining contracts with customers.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

1. Accounting policies (continued)

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Property, plant and equipment

Depreciation rates for each category of property, plant and equipment are as follows:

- Engineering and production equipment (lab and smart card related): 3 to 4 years
- Computer hardware and office equipment: 3 to 5 years.
- Right-of-use properties: the shorter of the lease term or 7 years
- Leasehold improvements: the shorter of the lease term or 7 years

Depreciation is recognised on a straight line basis over the estimated useful economic life. Depreciation begins when the asset is ready for use and ceases on disposal of the asset or at the end of its useful life, whichever is sooner.

The gain or loss on disposal is the difference between the net proceeds received and the carrying amount of the asset, together with any costs that will be necessarily incurred in removing the asset from its location at the end of its useful life.

Intangible assets

Intangible assets are initially recognised at cost. Subsequently, they are reported at cost less accumulated amortisation and impairment losses, if any.

Amortisation is recognised on a straight-line basis over the estimated useful economic life. The estimated useful economic lives and the amortisation method are reviewed at the end of the reporting period.

The useful lives applied by the Company are:

- Customer relationships: 6 to 8 years and are expected to be fully amortised by October 2026.
- Technology: 7 years and are expected to be fully amortised by October 2025.
- Software: lower of licence term or 3 to 5 years.

Impairment testing for goodwill and intangible assets

The Company assesses its other intangible assets and property, plant and equipment for indicators of impairment at least annually. If such indicators exist, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the fair value less costs of disposal and the value in use.

Inventory

Inventories are valued at the lower of cost and net realisable value after allowance for obsolete and slow moving goods.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Smart cards, Raw materials: purchase cost on a first-in/first-out basis.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

1. Accounting policies (continued)

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Deferred cost of sales are also held within inventory until such time that the revenue is recognised, in line with the revenue recognition policy.

Trade receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value in the year to which they relate. They are subsequently held at amortised cost, less any provision for expected credit losses. Provisions for expected credit losses are presented net with the related receivables on the balance sheet.

Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Pensions

The Company makes contributions for the benefit of employees to a defined contribution pension scheme. The amount charged to the income statement in respect of pension costs is the contributions payable in the year. Differences between the contributions payable in the year and contributions actually paid are shown either as accruals or prepayments as appropriate in the balance sheet.

The Company also has certain liabilities to a small number of current and former employees who are members of a closed unfunded UK defined benefit plan. The UK defined benefit scheme is managed by an insurance company, to which the Company makes annual contributions. The cost of providing benefits under the defined plan is determined using the projected unit credit method which attributes entitlement to benefits to the current year (to determine current service cost) and to the current and prior years (to determine the present value of defined benefit obligations) and is based on actuarial advice.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) resulting from a past event when it is probable that it will be required to transfer economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

1. Accounting policies (continued)

Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leases

The Company leases various offices and equipment. The Company applied IFRS 16 to leases previously considered to be operating leases. However, the Company applied the exemption to exclude short-term leases under 12 months or leases for items of low value. The Company considers items of a value less than £5,000 to be low value.

Lease liabilities are recognised based on the present value of the future value of the future lease payments, and a corresponding right-of-use asset is recognised. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the asset. Lease payments are apportioned between finance charges and a reduction of the lease liability.

Low value items and short term leases with a term of 12 months or less are not required to be recognised on the balance sheet and payments made in relation to the leases are recognised on a straight-line basis in the income statement.

The right-of-use assets are measured at initial lease liabilities adjusted by lease payments made before the commencement date, indirect costs and cash incentives received. The right-of-use assets are depreciated on a straight-line basis over the expected lease term of the underlying asset.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

1. Accounting policies (continued)

Accounting developments

Standards and amendment to standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- * Classification of Liabilities as Current or Non-current - Amendments to IAS 1 - effective date for the Company is 1 July 2024
- * Definition of Accounting Estimates - Amendments to IAS 8 - effective date for the Company is 26 June 2023
- * Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - effective date for the Company is 26 June 2023
- * Amendments to IFRS 16: Lease Liability in a Sale and Leaseback - effective date for the Company is 01 July 2024

Of these standards that are not yet effective, none are expected to have a material impact on the Company's financial statements in the period of initial application.

2. Critical accounting judgements and estimates

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

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

Revenue

Application of the revenue accounting policies outlined in Note 1 requires management to make accounting estimates; in particular management must apply judgement as to whether a sale includes multiple deliverables and how it values each unit and where deliverables are not sold separately how to apply fair value to the sale. The most significant judgements and sources of estimation uncertainty relate to ascertaining the relative standalone selling price and allocating this between the separate performance obligations, accounting for variable consideration and identifying contract modifications.

Impairment

Application of the impairment accounting policies outlined in Note 1 requires management to make accounting estimates; in particular management must apply judgement as to whether there are indicators of impairment. If such indicators exist, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the fair value less costs of disposal and the value in use.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

3. Revenue

All revenue is derived from the Company's principal activity as described in the Strategic report. The analysis of the Company's revenue for the year from external customers based on location of customer is as follows:

Analysis of revenue by geography:	Year ended 25 June 2023	Year ended 26 June 2022
	£m	£m
UK	87.6	92.4
Europe	30.3	35.4
Rest of world	53.4	50.8
Total revenue	171.3	178.6

4. Other income

	Year ended 25 June 2023	Year ended 26 June 2022
	£m	£m
Services provided to other Group companies	39.9	48.0
Other income	0.3	18.1
Total other operating income	40.2	66.1

There were no dividends received from subsidiaries in the current year (2022: £18.1m, from Synamedia India Private Limited)

5. Operating profit/(loss)

	Note	Year ended 25 June 2023	Year ended 26 June 2022
		£m	£m
This is stated after charging:			
Amortisation	12	17.6	18.3
Depreciation	13	2.2	2.0
Audit fees		0.2	0.1
Foreign exchange losses		13.4	25.9
Inventory recognised in cost of good sold		7.8	4.8
Research and development expenses		94.2	125.6

6. Personnel expenses

Expenses related to services rendered by employees are recognised in the year in which the service is rendered. This includes wages and salaries, social security contributions, pension contributions, bonuses, termination payments and employee benefits.

Where payments of amounts due are outstanding at the end of the reporting period an accrual for the expense is recognised. Where payments have been made in advance prior to the end of the reporting period, a prepayment of the expense is recognised.

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

6. Personnel expenses (continued)

The Company operates a defined contribution pension scheme and also contributes to a closed, unfunded defined benefit scheme managed by an insurance company (See note 18). The amounts charged to the income statement in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown in either prepayments or accruals at the balance sheet date.

Employee numbers

The average number of employees during the year was 323 (2022: 374).

	Year ended 25 June 2023	Year ended 26 June 2022
Research and development staff	199	238
Selling, general and administrative staff	124	136
Total staff	323	374

	Year ended 25 June 2023	Year ended 26 June 2022
Personnel expenses	£m	£m
Wages and salaries (including redundancy costs)	26.5	36.6
Short-term employee benefits	3.1	3.8
Social security costs	3.8	4.1
Pensions and other post-employment benefits	2.0	2.2
Contractor costs	3.8	5.1
Total personnel expenses	39.2	51.8

7. Directors' remuneration

	Year ended 25 June 2023	Year ended 26 June 2022
	£m	£m
Wages and salaries	1.2	2.0

Highest paid Director

	Year ended 25 June 2023	Year ended 26 June 2022
	£m	£m
Wages and salaries	0.7	1.1

No director received any long term incentive plans, shares in exchange for qualifying services, share options or benefits under defined benefit schemes (2022: none).

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

8. Interest payable and similar charges

	Year ended 25 June 2023	Year ended 26 June 2022
	£m	£m
Lease interest	0.1	0.4
Other interest expense	0.6	-
Interest on amounts due to Group companies	3.2	0.2
Total interest payable and similar charges	3.9	0.6

9. Taxation**(a) Analysis of charge in the year**

The tax charge in the financial year is made up as follows:

	Year ended 25 June 2023	Year ended 26 June 2022
	£m	£m
Current tax		
UK corporation tax	-	-
Current tax adjustment to prior years	1.0	1.5
Foreign tax	-	-
Withholding taxes written off	1.5	3.4
	2.5	4.9
Deferred tax:		
Origination and reversal of timing differences	-	-
Adjustment to tax charge in respect of prior years	-	-
Effects of rate change on deferred tax	-	-
Total deferred tax (note 11)	-	-
Total tax charge	2.5	4.9

(b) Factors affecting current tax charge

The current tax assessed on the profit/(loss) before taxation for the year is lower than the standard rate of corporation tax in the UK of 25.0% (2022: 21.0%).

	Year ended 25 June 2023	Year ended 26 June 2022
	£m	£m
Profit/(Loss) before taxation	11.3	(29.7)
Corporation tax at standard rate	2.8	(5.6)
Adjustment to tax charge in respect of prior years	1.0	1.5
Expenses not deductible for tax purposes	-	1.5
Deferred tax not recognised	(2.8)	5.4
Impact of rate change	-	(1.3)
Withholding taxes written off	1.5	3.4
Total tax credit (note 9(a))	2.5	4.9

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

The Company has an unrecognised deferred tax asset of £17.0m (2022: £16.0m) which relates to losses carried forward. These losses have no fixed expiry date. The deferred tax asset on the tax losses has not been recognised due to uncertainty over future utilization.

(c) Factors that may affect future tax charges

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future tax charge accordingly. The deferred tax balance as of 25 June 2023 (and 26 June 2022) has been calculated based on the substantively enacted rates at that date, reflecting the expected timing of reversal of the related temporary differences.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the United Kingdom, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. Since the Company's annual revenue does not exceed 750m euros multinational top-up tax and domestic top-up tax, that are the UK's adoption of the income inclusion rule and domestic minimum top up tax rule in the Global Anti-Base Erosion (GloBE) Rules, do not apply to the Company.

10. Investments in subsidiaries

As at 25 June 2023 As at 26 June 2022

	£m	£m
Cost and net book value brought forward and carried forward	29.9	29.9

The Company had net liabilities at the year-end, which is potential indication of impairment. The Company Directors have relied on an impairment review exercise carried out at Group level to get assurance that there is no impairment to the carrying value of the Company's investments in subsidiaries.

The business of the Group is largely the Video platform CGU business, Video Platform is substantially represented by the Company and its subsidiaries. The impairment review performed at Group level was based on value in use.

The key assumptions used in the value in use calculations for the financial years ended 25 June 2023 and 26 June 2022 are:

	Video Platform	
	2023	2022
Forecast period EBITDA CAGR	6.70%	17.10%
Terminal growth rate	1.50%	1.50%

The calculations provided the Directors with sufficient assurance that the carrying value of the investments in subsidiaries is not impaired.

The Company has the following principal subsidiaries:

Subsidiary name	Address	Country of incorporation	Financial year end	Ordinary shares held %
<i>Overseas subsidiary</i>				
Beijing NDS Information Technology Co Ltd	1	China	31 Dec	100%
Synamedia India Private Limited	2	India	31 Mar	100%
Synamedia Technologies Israel Ltd	3	Israel	31 Dec	100%
Synamedia New Technologies Israel Ltd	3	Israel	31 Dec	100%

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

10. Investments in subsidiaries (continued)

Principal place of business

- 1 RM1202 12F, Block 1, No 66, Nanlishi Road, Xicheng District, Beijing 100045 China
- 2 Block 9A and 9B, Pritech Park SEZ, Bellandur, Bangalore, Karnataka, 560103 India
- 3 16 Hartom Street, Building B, P.O. Box 23012, Har Hotzvim, Jerusalem 9777514 Israel

11. Deferred taxation

The deferred tax included in the Balance Sheet is as follows:

	As at 25 June 2023	As at 26 June 2022
	£m	£m
Accelerated tax depreciation	1.1	1.0
Tax losses	5.9	7.8
Deferred tax assets	7.0	8.8
	As at 25 June 2023	As at 26 June 2022
	£m	£m
Intangible assets	(7.0)	(8.8)
Deferred tax liabilities	(7.0)	(8.8)

The deferred taxation movement during the year was:

	As at 26 June 2022	Effect of deferred tax rate change	Recognised in income	As at 25 June 2023
	£m	£m	£m	£m
Accelerated tax depreciation	1.0	-	0.1	1.1
Tax losses	7.8	-	(1.9)	5.9
Intangible assets	(8.8)	-	1.8	(7.0)
Deferred tax	-	-	-	-

The deferred taxation movement during the prior year was:

	As at 27 June 2021	Effect of differed tax rate change	Recognised in income	As at 26 June 2022
	£m	£m	£m	£m
Accelerated tax depreciation	1.0	-	-	1.0
Tax losses	9.9	-	(2.1)	7.8
Intangible assets	(10.9)	-	2.1	(8.8)
Deferred tax	-	-	-	-

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

12. Intangible assets

	Software	Technology	Customer relationships	Trade names and brands	Total
Cost	£m	£m	£m	£m	£m
Balance as at 27 June 2021	12.0	57.5	64.8	10.5	144.8
Additions	0.1				0.1
As at 26 June 2022	12.1	57.5	64.8	10.5	144.9
Additions	0.9	-	-	-	0.9
As at 25 June 2023	13.0	57.5	64.8	10.5	145.8
Accumulated amortisation					
Balance as at 27 June 2021	(8.1)	(22.0)	(21.6)	(10.5)	(62.2)
Charge for the year	(2.0)	(8.2)	(8.1)	-	(18.3)
As at 26 June 2022	(10.1)	(30.2)	(29.7)	(10.5)	(80.5)
Charge for the year	(1.3)	(8.2)	(8.1)	-	(17.6)
As at 25 June 2023	(11.4)	(38.4)	(37.8)	(10.5)	(98.1)
Net book value as at 26 June 2022	2.0	27.3	35.1	-	64.4
Net book value as at 25 June 2023	1.6	19.1	27.0	-	47.7

13. Property, plant and equipment

	Right-of-use properties	Engineering and production equipment	Computer hardware and office equipment	Total
Cost	£m	£m	£m	£m
Balance as at 27 June 2021	4.1	0.3	4.2	8.6
Additions	2.1	-	0.1	2.2
As at 26 June 2022	6.2	0.3	4.3	10.8
Additions	1.4	0.0	0.6	2.0
Disposals	-	-	-	-
As at 25 June 2023	7.6	0.3	4.9	12.8
Accumulated depreciation				
Balance as at 27 June 2021	(2.1)	(0.3)	(2.4)	(4.8)
Charge for the year	(1.2)	-	(0.9)	(2.0)
Disposals	-	-	-	-
As at 26 June 2022	(3.3)	(0.3)	(3.3)	(6.8)
Charge for the year	(1.6)	(0.0)	(0.6)	(2.2)
As at 25 June 2023	(4.9)	(0.3)	(3.9)	(9.0)
Net book value as at 26 June 2022	3.0	-	1.0	4.0
Net book value as at 25 June 2023	2.7	-	1.1	3.8

Synamedia Limited
Notes to the financial statements (continued)
Year ended 25 June 2023

14. Trade and other receivables

	As at 25 June 2023	As at 26 June 2022
	£m	£m
Trade receivables	21.6	18.8
Prepayments and accrued income	14.4	19.0
Other receivables	0.7	6.9
Amounts owed by Group undertakings	58.5	33.6
Total trade and other receivables	95.2	78.3

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade receivables are stated after expected credit loss provision of £4.0m (2022: £1.9m).

15. Inventories

	As at 25 June 2023	As at 26 June 2022
	£m	£m
Smart cards and their components	4.6	10.1
Contract work-in-progress	0.2	0.2
Total inventories	4.8	10.3

Smart cards and their components are considered to be in the state of work-in-progress. There is no material difference between the balance sheet value of smart cards and their components and their replacement cost.

At the year-end, a review of inventory was performed. As a result the Company reduced the gross inventory by £4.7m with an additional provision where there was uncertainty around future demand. These costs have been accounted for as part of cost of goods sold.

16. Trade and other payables

	As at 25 June 2023	As at 26 June 2022
	£m	£m
Trade payables	4.5	4.3
Accruals and deferred income	20.0	27.4
Other payables	-	0.8
Dilapidation provisions	0.1	0.1
Lease liabilities	1.4	1.3
Social security and other taxes	5.0	4.3
Income tax payable	-	0.6
Amounts owed to Group undertakings	270.0	273.3
Total trade and other payables	301.0	312.1

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Synamedia Limited
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Year ended 25 June 2023

Derivative financial instrument

The position of the foreign exchange forward contract is marked to market as of the balance sheet date and any gains or losses are recognised in the Income Statement. Accordingly, we have compared the spot rate as at the balance sheet date against the foreign exchange rate agreed with the bank at the settlement date.

During the year company incurred a loss on foreign exchange forward contracts of £1.2m, as measured at the balance sheet date.

The maturity date was 30 September 2023. The Company has not adopted hedge accounting.

17. Trade and other payables due after one year

	As at 25 June 2023	As at 26 June 2022
	£m	£m
Accruals and deferred income	1.3	1.9
Other provisions	0.7	0.8
Lease liabilities	2.2	1.4
Total trade and other payables due after one year	4.2	4.1

The table below summarises the maturity analysis of lease liabilities based on contractual undiscounted payments.

	As at 25 June 2023	As at 26 June 2022
	£m	£m
Lease Liabilities		
Less than one year	1.4	1.3
One to five years	2.2	1.4
Total	3.6	2.7

18. Provisions

	As at 25 June 2023	As at 26 June 2022
	£m	£m
Unfunded pension obligations	0.9	1.3
Dilapidation provisions	1.8	0.8
Total provisions	2.7	2.1

	Unfunded pension obligations	Dilapidations	Total
	£m	£m	£m
As at 26 June 2022	1.3	0.8	2.1
(Utilised)/Arose during the year	(0.4)	1.1	0.7
As at 25 June 2023	0.9	1.9	2.8
Current	-	0.1	0.1
Non-current	0.9	1.8	2.7
As at 25 June 2023	0.9	1.9	2.8

Synamedia Limited
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Year ended 25 June 2023

Dilapidations

Dilapidation provisions represent the liabilities incurred to date in order to restore the leased properties to their original state at the end of the lease terms.

Unfunded pension obligations

The Company's obligation is in respect of two individuals under the News International Unfunded Pension and Life Assurance Plan (NIUPLAP). The scheme has been closed for a number of years and is unfunded. Therefore no plan assets exist.

NIUPLAP is managed by an insurance company, to which the Company makes annual contributions. The costs of providing benefits under defined plan is determined using the projected unit credit method which attributes entitlement to benefits to the current year and to current and prior years and is based on actuarial advise.

19. Called-up share capital

	Nominal value £	Number of shares	Par value £
Balance as at 26 June 2022 and 25 June 2023	0.00002412	41,465,202	1,000

20. Ultimate controlling party

Since 28 October 2018, the immediate parent company has been Synamedia Holdings Limited, a company incorporated in England and Wales, and the ultimate controlling party has been Permira funds, a private equity investor.

Triton UK Midco Limited, registered at One London Road, Staines-Upon-Thames, London, Middlesex, TW18 4EX, is the parent of the smallest and largest group in which Company's financial statements are consolidated.

21. Post balance sheet events

Since 25 June 2023 there have been no events requiring adjustment to or disclosure in these financial statements.