

**Company Number 06630126**

**Zype TV Limited**

**Annual Report - 31 December 2022**



**Zype TV Limited**  
**Contents**  
**31 December 2022**

Strategic report	2
Directors' report	4
Directors' responsibilities statement	6
Independent auditor's report to the members of Zype TV Limited	7
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	14
Notes to the financial statements	15

**General information**

The financial statements cover Zype TV Limited as an individual entity. The financial statements are presented in Pounds Sterling, which is Zype TV Limited's functional and presentation currency.

Zype TV Limited is a private company limited by shares, incorporated and domiciled within England in the United Kingdom. Its registered office and principal place of business is:

9 Millars Brook  
Molly Millars Lane  
Wokingham  
Berkshire  
RG41 2AD

**Zype TV Limited**  
**Strategic report**  
**31 December 2022**

The directors present their strategic report on the company for the year ended 31 December 2022.

**New ownership**

On 15 July 2022 Argus Topco Limited, of whom the company is a wholly owned subsidiary, was acquired by FIS3 Bidco Limited with the ultimate controlling party being Livingbridge 7 Global LP.

**Principal activity**

The principal activity of the company is the development and supply of a range of technology based solutions to the automotive industry, allowing the creation of a more transparent, and easy, car buying and owning experience. The apps are used in dealers' showrooms, workshops, websites and body shops.

**Review of operations**

The revenue of the business increased by 4% year on year as a result of continued success in the market with the subscriber base also increasing by 5% year on year, showing the underlying growth of the business.

The operating loss in the current year is largely due to the payment of LTIPs as a result of the change in ownership at group level, this additionally led to reduced other operating incomes as recharges to fellow group companies fell as a result of the targeted profit margin transfer pricing model with increased payroll costs in each of the relevant entities.

Cash reserves of the business decreased during the year to £1,846,000.

A review of the accounting policies led the directors to change the policy for revenue recognition to retrospectively recognise impact of contract discounting only in the initial contracted term, any contracts that enter a rolling phase contractually only represent revenue evenly over straight line and as such no timing differences arise. See note 3 for further details of the restatement.

The key performance indicators of the business continue to be Revenue, Operating (loss)/profit, Adjusted EBITDA, Cash, Net Assets and Subscriber Base.

	<b>2022</b>	<b>Restated</b>		
	<b>£'000</b>	<b>2021</b>	<b>Change</b>	<b>Change</b>
		<b>£'000</b>	<b>£'000</b>	<b>%</b>
Revenue	10,986	10,524	462	4%
Operating (loss)/profit	(672)	3,718	(4,390)	(118%)
Adjusted EBITDA	2,080	5,407	(3,327)	(62%)
Cash	1,846	1,928	(82)	(4%)
Net assets	4,371	5,626	(1,255)	(22%)
	<b>2022</b>	<b>2021</b>	<b>Change</b>	<b>Change</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>%</b>
<b>Non-financial key performance indicator</b>				
Subscriber base at the end of the year	6,644	6,329	315	5%

\* Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation as well as exceptional items and LTIP movements

**Principal risks and uncertainties**

The Company's operations may expose it to a variety of financial risks that include the market risk, credit risk, operational risk and liquidity risk. The Company, through its Board of Directors, seeks to limit the adverse effects on the financial performance of the Company as follows:

*Currency risk*

The Company is exposed to translational and transactional foreign exchange risk as it operates in various currencies, including US Dollars and the Euro, which affect the management and levels of working capital.

The Company operates bank accounts in both US dollars and Euros in order to naturally hedge the sales and purchases made within these currencies.

**Zype TV Limited**  
**Strategic report**  
**31 December 2022**

*Inflation risk*

The Company has exposure to the inflationary effect in countries in which it operates. This exposure could affect the Company's cost and/or investment base. The Company's cost base is mainly exposed to the inflation rates and changes in payroll taxes in the UK.

No specific hedging of inflation risk has been carried out although any forecast movement in inflation forecasts is modelled within the Company's financial forecasts for adverse effects and to ensure adequate working capital is available for operations.

*Credit risk*

Credit risk is the risk that a third party might fail to fulfil its performance obligations under the terms of a financial instrument. For cash and cash equivalents and trade and other receivables, credit risk represents the carrying amount on the balance sheet.

The Company's business will be predominantly with companies with a low inherent bad debt risk. The Company is therefore unlikely to take out credit insurance in the foreseeable future.

The Company will only invest surplus funds in UK bank/building society deposits, denominated in pounds sterling. Furthermore, funds will only be invested with Prudential Regulatory Authority regulated UK financial institutions. In addition, only banks or building societies obtaining a satisfactory rating — at least an A grade (high quality/upper medium grade/strong) — with Standard and Poors, Fitch and Moody's will be selected.

*Liquidity risk*

Liquidity risk is the risk of loss from not having access to sufficient funds to meet both expected and unexpected cash demands.

The Company seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely as well as profitably. The Company's working capital report shows forecast monthly movements in working capital and cash for the following year. It is planned to secure a short-term overdraft facility to be used, for example, to bridge any time gap between day-to-day cash requirements and the release of cash from deposit accounts with notice.

**Future developments**

The directors are pleased with the performance of the business and will look to continue to grow revenue within the UK whilst retaining our valued customers.

This report is made in accordance with a resolution of directors.

On behalf of the board

DocuSigned by:

*Geoffrey Page-Morris*

F6F3CEE68BF244C...

G G Page-Morris  
Director

29 September 2023

**Zype TV Limited  
Directors' report  
31 December 2022**

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2022.

**Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

G Grant  
A J C Horsburgh  
G G Page-Morris  
C S Tinto  
I D Brewer (resigned 23 November 2022)

**Information contained within the strategic report**

The strategic report contains information in relation to Principal activities, Review of operations and Likely future developments.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Financial instruments**

Risks relating to the company's financial instruments are disclosed in the strategic report.

**Charitable and political donations**

Charitable donations were made during the year of £1,580 (2021 : None).

**Going concern**

The company is a trading entity within the FIS3 Topco Limited group of companies (the Group). The company, along with the Group, is party to a cross guarantee in respect of borrowings by FIS3 Bidco Limited as described in note 33. The company's ability to continue as a going concern is therefore dependent on its own performance and the performance of the Group. In considering the going concern status of the company, the Directors have also therefore considered going concern taking account of these obligations.

The directors have forecast various scenarios in considering the going concern status of the company for a period of at least twelve months from the date of approval of these financial statements. The directors have concluded that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern and therefore have prepared the financial statements on a going concern basis.

**Indemnity of directors**

The company has third party professional indemnity insurance in place for the year and at the time of approval of these financial statements.

**Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Independent auditors**

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

**Zype TV Limited**  
**Directors' report**  
**31 December 2022**

This report is made in accordance with a resolution of directors.

On behalf of the board

DocuSigned by:

*Geoffrey Page-Morris*

E6E3CEFE66BE244C

G G Page-Morris  
Director

29 September 2023

**Zype TV Limited**  
**Directors' responsibilities statement**  
**31 December 2022**

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 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.

**Zype TV Limited**  
**Independent auditor's report to the members of Zype TV Limited**  
**31 December 2022**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZYPE TV LIMITED**

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its 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.

We have audited the financial statements of Zype TV Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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

*Independence*

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.

**Conclusions relating to going concern**

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

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

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

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

**Zype TV Limited**  
**Independent auditor's report to the members of Zype TV Limited**  
**31 December 2022**

**Other Companies Act 2006 reporting**

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

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

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the legal and regulatory framework applicable to the Company and industry in which it operates, through discussion with management and our knowledge of the industry;
- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to identifying, evaluation and complying with laws and regulations and whether they are aware of instances of non-compliance;

We considered the significant laws and regulations to be the applicable accounting framework, relevant tax legislation, and UK Companies Act.

**Zype TV Limited**  
**Independent auditor's report to the members of Zype TV Limited**  
**31 December 2022**

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- reading minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance for any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Considering our knowledge of the nature of the industry, control environment and business performance including the design of the Company remuneration policies, key drivers for Directors' remuneration and performance targets; and
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in revenue recognition, specifically in relation to revenue existence, as well as the potential for management override of controls.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue and manual journal entries.

Our procedures in respect of the above included:

- performing a detailed review of the Company's year-end adjusting entries, assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- In addressing the risk for fraud in revenue recognition, testing the appropriateness of the revenue recognition policies and the application of these policies and performing specific procedures over the existence and cut-off of revenue.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

**Zype TV Limited**  
**Independent auditor's report to the members of Zype TV Limited**  
**31 December 2022**

**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.

DocuSigned by:

*Gavin Crawford*

0BD8F31DCC5C4CC...

Gavin Crawford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Reading, UK

29 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Zype TV Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2022**

	Note	2022 £'000	Restated 2021 £'000
<b>Revenue</b>			
Revenue	4	10,986	10,524
Cost of sales		<u>(2,168)</u>	<u>(1,728)</u>
Gross profit		<u>8,818</u>	<u>8,796</u>
<b>Expenses</b>	5		
Administrative expenses		(12,583)	(10,046)
Other operating income	6	<u>3,093</u>	<u>4,968</u>
<b>Operating profit/(loss)</b>		(672)	3,718
Finance expenses	9	<u>(17)</u>	<u>(13)</u>
<b>Profit/(loss) before income tax expense</b>		(689)	3,705
Income tax expense	10	<u>(566)</u>	<u>(78)</u>
<b>Profit/(loss) after income tax expense for the year</b>	31	(1,255)	3,627
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>(1,255)</u></u>	<u><u>3,627</u></u>

Refer to note 3 for detailed information on Restatement of comparatives.

*The above statement of comprehensive income should be read in conjunction with the accompanying notes*

**Zype TV Limited**  
**Balance sheet**  
**As at 31 December 2022**

	Note	2022 £'000	Restated 2021 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	11	721	443
Property, plant and equipment	12	237	194
Right-of-use assets	13	126	278
Investments	14	67	67
Deferred tax	15	-	402
Total non-current assets		<u>1,151</u>	<u>1,384</u>
<b>Current assets</b>			
Inventories	16	19	22
Trade and other receivables - amounts falling due within one year	17	49,218	5,785
Cash and cash equivalents	18	1,846	1,928
Contract assets	19	90	239
Income tax refund due	20	102	-
Total current assets		<u>51,275</u>	<u>7,974</u>
<b>Total assets</b>		<u>52,426</u>	<u>9,358</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Contract liabilities	22	51	25
Lease liabilities	23	32	174
Provisions	24	-	1,360
Deferred tax	21	27	-
Total non-current liabilities		<u>110</u>	<u>1,559</u>
<b>Current liabilities</b>			
Trade and other payables - amounts falling due within one year	25	47,723	1,919
Contract liabilities	26	123	82
Lease liabilities	27	99	89
Income tax	28	-	83
Total current liabilities		<u>47,945</u>	<u>2,173</u>
<b>Total liabilities</b>		<u>48,055</u>	<u>3,732</u>
<b>Net assets</b>		<u>4,371</u>	<u>5,626</u>

*The above balance sheet should be read in conjunction with the accompanying notes*

**Zype TV Limited**  
**Balance sheet**  
**As at 31 December 2022**

	Note	2022 £'000	Restated 2021 £'000
<b>Equity</b>			
Issued capital	29	3	3
Share premium account	30	19	19
Retained earnings	31	4,349	5,604
<b>Total equity</b>		<u>4,371</u>	<u>5,626</u>

Refer to note 3 for detailed information on Restatement of comparatives.

Zype TV Limited's company number is 06630126.

The financial statements on pages 11 to 34 were approved by the Board of Directors on 29 September 2023 and signed on its behalf by

DocuSigned by:

*Geoffrey Page-Morris*

F6E3CEE68BF244C

G G Page-Morris  
 Director

29 September 2023

*The above balance sheet should be read in conjunction with the accompanying notes*

**Zype TV Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2022**

	Issued capital £'000	Share premium account £'000	Restated - Retained profits £'000	Total equity £'000
Balance at 1 January 2021	3	19	1,977	1,999
Profit after income tax expense for the year	-	-	3,627	3,627
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	3,627	3,627
Balance at 31 December 2021	<u>3</u>	<u>19</u>	<u>5,604</u>	<u>5,626</u>

Refer to note 3 for detailed information on Restatement of comparatives.

	Issued capital £'000	Share premium account £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2022	3	19	5,604	5,626
Loss after income tax expense for the year	-	-	(1,255)	(1,255)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,255)	(1,255)
Balance at 31 December 2022	<u>3</u>	<u>19</u>	<u>4,349</u>	<u>4,371</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies**

The financial statements cover Zype TV Limited as an individual entity. The financial statements are presented in Pound Sterling, which is Zype TV Limited's functional and presentation currency. The accounts are presented in £000's.

Zype TV Limited is a private company limited by shares, incorporated and domiciled within England in the United Kingdom.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Annual Improvements to IFRSs (2018-2020 Cycle): IFRS 9
- Annual Improvements to IFRSs (2018-2020 Cycle): Illustrative Examples accompanying IFRS 16
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**Going concern**

The company is a trading entity within the FIS3 Topco Limited group of companies (the Group). The company, along with the Group, is party to a cross guarantee in respect of borrowings by FIS3 Bidco Limited as described in note 33. The company's ability to continue as a going concern is therefore dependent on its own performance and the performance of the Group. In considering the going concern status of the company, the Directors have also therefore considered going concern taking account of these obligations.

The directors have forecast various scenarios in considering the going concern status of the company for a period of at least twelve months from the date of approval of these financial statements. The directors have concluded that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern and therefore have prepared the financial statements on a going concern basis.

**Basis of preparation**

These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006.

As permitted by FRS 101, the company has taken advantage of all of the disclosure exemptions available to it, including: statement of cash flows, new Accounting Standards not yet mandatory, disaggregation of revenue, reconciliations of contract assets and liabilities, unsatisfied performance obligations, presentation of comparative information for certain assets, impairment of assets, capital risk management, financial instruments, fair value measurement, key management personnel, related party transactions, business combinations and share-based payments.

The company's ultimate parent entity is FIS3 Topco Ltd (incorporated in the United Kingdom) and its consolidated financial statements, which the company forms part of, are available from Companies House. The company's immediate parent entity is CitNow Video Limited.

The financial statements have been prepared on a going concern basis.

The financial statements contain information about Zype TV Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, FIS3 Topco Limited.

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Foreign currency translation**

The financial statements are presented in Pounds sterling, which is Zype TV Limited's functional and presentation currency.

*Foreign currency transactions*

Foreign currency transactions are translated into Pounds sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Revenue recognition**

For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Transaction price is determined based on central rate card prices maintained by the business with consideration of discounts given on agreed contracts and invoices.

A review of the accounting policies led the directors to change the policy for revenue recognition to retrospectively recognise impact of contract discounting only in the initial contracted term, any contracts that enter a rolling phase contractually only represent revenue evenly over straight line and as such no timing differences arise. See note 3 for further details of the restatement.

The entity has four revenue streams, subscription revenue, configuration revenue, training revenue and hardware revenue. The consolidated entity's performance obligations and revenue recognition policy for each revenue stream is noted below.

*Subscription and configuration revenue*

Subscription and configuration revenue are treated as a single performance obligation as the customer cannot benefit from each separately.

The revenue is recognised on a straight-line basis over the term of the contract.

*Training revenue*

Training revenue is treated as a separate performance obligation as the customer can benefit from this separately.

The revenue is recognised at the point of delivery on the training.

*Hardware revenue*

Hardware revenue is treated as a separate performance obligation as the customer can benefit from this separately.

The revenue is recognised on a straight line basis over the period of the agreement, typically 2 years. This is due to the contract terms of the hardware revenue being akin to a lease agreement whereby the ownership passes back to the company at the end of contract term.

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Current and non-current classification**

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Contract assets**

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

**Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are not included as part of the initial measurement. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

*Impairment of financial assets*

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and Equipment	33% to 50%
Fixtures and Fittings	33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Intangible assets**

*Development*

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

*Trademarks*

Trademark costs are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Contract liabilities**

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies (continued)**

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Provisions**

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, when it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Employee benefits**

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Value-Added Tax ('VAT') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

**Rounding of amounts**

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Recoverability of intercompany*

The company assesses recoverability of intercompany receivables at each reporting date by evaluating the performance and ability of fellow group companies to settle balances. If reasonable doubt exists, an appropriate provision is made based on net assets / (liabilities) and future cash generation of the company in question.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Income tax*

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrance of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 3. Restatement of comparatives**

*Change in accounting policy*

A review of the accounting policies has led the directors to change the policy for revenue recognition to retrospectively recognise impact of contract discounting only in the initial contracted term, any contracts that enter a rolling phase contractually only represent revenue evenly over straight line and as such no timing differences arise. The directors feel this better represents the results and performance of the company.

*Statement of comprehensive income*

	2021 £'000 Reported	£'000 Adjustment	2021 £'000 Restated
<b>Revenue</b>			
Revenue	11,604	(1,080)	10,524
Cost of sales	(1,728)	-	(1,728)
<b>Expenses</b>			
Administrative expenses	(10,046)	-	(10,046)
Other operating income	4,968	-	4,968
<b>Operating profit</b>	4,798	(1,080)	3,718
Finance expenses	(13)	-	(13)
<b>Profit before income tax expense</b>	4,785	(1,080)	3,705
Income tax expense	(283)	205	(78)
<b>Profit after income tax expense for the year</b>	4,502	(875)	3,627
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive income for the year</b>	4,502	(875)	3,627

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 3. Restatement of comparatives (continued)**

*Balance sheet at the end of the earliest comparative period*

	2021 £'000 Reported	£'000 Adjustment	2021 £'000 Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	443	-	443
Property, plant and equipment	194	-	194
Right-of-use assets	278	-	278
Investments	67	-	67
Deferred tax	402	-	402
<b>Total non-current assets</b>	<b>1,384</b>	<b>-</b>	<b>1,384</b>
<b>Current assets</b>			
Inventories	22	-	22
Trade and other receivables - amounts falling due within one year	5,785	-	5,785
Cash and cash equivalents	1,928	-	1,928
Contract assets	1,407	(1,168)	239
<b>Total current assets</b>	<b>9,142</b>	<b>(1,168)</b>	<b>7,974</b>
<b>Total assets</b>	<b>10,526</b>	<b>(1,168)</b>	<b>9,358</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Contract liabilities	25	-	25
Lease liabilities	174	-	174
Provisions	1,360	-	1,360
<b>Total non-current liabilities</b>	<b>1,559</b>	<b>-</b>	<b>1,559</b>
<b>Current liabilities</b>			
Trade and other payables - amounts falling due within one year	1,919	-	1,919
Contract liabilities	169	(87)	82
Lease liabilities	89	-	89
Income tax	289	(206)	83
<b>Total current liabilities</b>	<b>2,466</b>	<b>(293)</b>	<b>2,173</b>
<b>Total liabilities</b>	<b>4,025</b>	<b>(293)</b>	<b>3,732</b>
<b>Net assets</b>	<b>6,501</b>	<b>(875)</b>	<b>5,626</b>
<b>Equity</b>			
Issued capital	3	-	3
Share premium account	19	-	19
Retained profits	6,479	(875)	5,604
<b>Total equity</b>	<b>6,501</b>	<b>(875)</b>	<b>5,626</b>



**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 5. Expenses**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	190	231
Fixtures and fittings	13	10
Buildings right-of-use assets	141	136
Motor vehicles right-of-use assets	10	20
Office equipment right-of-use assets	1	3
Total depreciation	<u>355</u>	<u>400</u>
<i>Amortisation</i>		
Development	110	84
Total depreciation and amortisation	<u>465</u>	<u>484</u>
<i>Impairment</i>		
Trade receivables	(3)	1
Intercompany	127	78
Total impairment	<u>124</u>	<u>79</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	10	13
<i>Net foreign exchange loss/(gain)</i>		
Net foreign exchange loss/(gain)	<u>(490)</u>	<u>185</u>
<i>Employee benefits expense</i>		
Wages and salaries	8,414	5,602
Social security costs	674	773
Pension costs - defined contribution	235	197
Share-based payments	-	167
Total employee benefits expense	<u>9,323</u>	<u>6,739</u>
<i>Research and development costs</i>		
Research and development costs	<u>232</u>	<u>961</u>
<i>Inventory recognised as an expense</i>		
Inventory expense	<u>77</u>	<u>102</u>

**Note 6. Other operating income**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
License fee recharge	3,093	4,842
Other Income	-	126
	<u>3,093</u>	<u>4,968</u>

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 7. Average number of employees and employee benefits expense**

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

	<b>2022</b>	<b>2021</b>
Managerial	28	7
Sales	8	5
Admin	63	81
	<u>99</u>	<u>93</u>

The employee benefits expense during the year was as follows:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Wages and salaries	8,414	5,602
Social security costs	674	773
Pension costs - defined contribution	235	197
Share-based payments	-	167
	<u>9,323</u>	<u>6,739</u>

**Note 8. Directors' remuneration**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Aggregate remuneration in respect of qualifying services	723	600
Aggregate amounts of contributions to pension schemes in respect of qualifying services	37	33
Sums paid to third parties for directors' services	-	54
Compensation for loss of office	126	-
Highest paid director - aggregate remuneration	263	184
Highest paid director - accrued pension at the end of the year	11	10

The directors pension contributions related to defined contributions scheme.

**Note 9. Finance expenses**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Lease interest expense	10	13
Other interest	7	-
	<u>17</u>	<u>13</u>

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 10. Income tax expense**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<i>Income tax expense</i>		
Current tax	40	429
Deferred tax - origination and reversal of temporary differences	429	(400)
Adjustment recognised for prior periods	97	49
	<u>566</u>	<u>78</u>
Aggregate income tax expense		
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (note 15)	402	(400)
Increase in deferred tax liabilities (note 21)	27	-
	<u>429</u>	<u>(400)</u>
Deferred tax - origination and reversal of temporary differences		
	<u>429</u>	<u>(400)</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	(689)	3,705
Tax at the statutory tax rate of 19%	(131)	704
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Fixed asset differences	(12)	(51)
Expenses not deductible for tax purposes	61	50
Temporary differences not recognised	-	(26)
Group relief surrendered/(claimed)	139	(562)
Adjustments to tax charged in respect of previous periods - deferred tax	309	(10)
Adjustment to tax charge in respect of previous periods	28	-
Remeasurement of deferred tax for changes in tax rate	29	(96)
Sundry items	46	20
	<u>469</u>	<u>29</u>
Adjustment recognised for prior periods	97	49
Income tax expense	<u>566</u>	<u>78</u>

Refer to note 3 for detailed information on Restatement of comparatives.

The future tax rate of 25% which is applicable from April 2023 has been applied on the basis that it was substantively enacted at the balance sheet date.

**Note 11. Non-current assets - intangible assets**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Development - at cost	2,528	2,140
Less: Accumulated amortisation	(1,807)	(1,697)
	<u>721</u>	<u>443</u>
Trademarks - at cost	6	6
Less: Accumulated amortisation	(6)	(6)
	<u>-</u>	<u>-</u>
	<u>721</u>	<u>443</u>

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 11. Non-current assets - intangible assets (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	<b>Development Costs £'000</b>
Balance at 1 January 2022	443
Additions	388
Amortisation expense	<u>(110)</u>
Balance at 31 December 2022	<u><u>721</u></u>

**Note 12. Non-current assets - property, plant and equipment**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Plant and equipment - at cost	2,067	1,856
Less: Accumulated depreciation	<u>(1,864)</u>	<u>(1,674)</u>
	203	182
Fixtures and fittings - at cost	429	393
Less: Accumulated depreciation	<u>(395)</u>	<u>(381)</u>
	34	12
	<u><u>237</u></u>	<u><u>194</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	<b>Plant and Equipment £'000</b>	<b>Fixtures and Fittings £'000</b>	<b>Total £'000</b>
Balance at 1 January 2022	182	12	194
Additions	211	35	246
Depreciation expense	<u>(190)</u>	<u>(13)</u>	<u>(203)</u>
Balance at 31 December 2022	<u><u>203</u></u>	<u><u>34</u></u>	<u><u>237</u></u>

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 13. Non-current assets - right-of-use assets**

	2022 £'000	2021 £'000
Land and buildings - right-of-use	591	591
Less: Accumulated depreciation	(465)	(324)
	<u>126</u>	<u>267</u>
Motor vehicles - right-of-use	68	68
Less: Accumulated depreciation	(68)	(58)
	<u>-</u>	<u>10</u>
Office equipment - right-of-use	14	14
Less: Accumulated depreciation	(14)	(13)
	<u>-</u>	<u>1</u>
	<u>126</u>	<u>278</u>

The company leases land and buildings for its offices under agreements of between 2 to 3 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The company leases plant and equipment under agreements of between 2 to 3 years and motor vehicles under agreements of 2 years.

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Balance at 1 January 2022	267	10	1	278
Depreciation expenses	(141)	(10)	(1)	(152)
Balance at 31 December 2022	<u>126</u>	<u>-</u>	<u>-</u>	<u>126</u>

**Note 14. Non-current assets - investments**

	2022 £'000	2021 £'000
Shares in CitNow Video France SARL - at cost	7	7
Shares in CitNow GmbH - at cost	20	20
Shares in CitNow Video Italy SRL - at cost	18	18
Shares in CitNow Video Iberia, SLU - at cost	7	7
Shares in CitNow Nordic A/S - at cost	15	15
	<u>67</u>	<u>67</u>

*Reconciliation*

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

Opening carrying amount	<u>67</u>	<u>67</u>
Closing carrying amount	<u>67</u>	<u>67</u>

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 14. Non-current assets - investments (continued)**

**Interests in subsidiaries**

As at the 31 December 2022, the company had investments in the following subsidiary companies:

Name	Country of incorporation / Registered office	Holding	Proportion held %
CitNOW GmbH	Germany - Unter den Linden 10, D-10117, Berlin	Ordinary shares	100.00%
CitNow Inc	United States - 555 North Point Center East, Suite 400, Alpharetta, GA 30022	Ordinary shares	100.00%
CitNow Video Italy SRL	Italy - Via Paola Barison 42, Ed 12 - B5, Roma (RM) 00142	Ordinary shares	100.00%
CitNow Video Benelux B.V.	Netherlands - De Cuserstraat 93, 1081 CN, Amsterdam	Ordinary shares	100.00%
CitNOW Video France SARL	France - 47 Boulevard Georges Clemenceau, 92415 Courbevoie CEDEX	Ordinary shares	100.00%
CitNOW Video Iberia, SLU	Spain - Calle, Orense 34, Planta 8, 28020 Madrid	Ordinary shares	100.00%
CitNOW Nordic A/S	Denmark - Nymøllevej 50, 2800 Kgs. Lyngby, Danmark	Ordinary shares	100.00%
CitNOW Canada Inc.	Canada - 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver BC V6E 4N7, Canada	Ordinary shares	100.00%
CitNow Limited	UK - 9 Millars Brook, Molly Millars Lane, Wokingham, Berkshire, RG41 2AD	Ordinary shares	100.00%

All investments are held directly.

The principal activities of all subsidiaries are in line with that of the company.

**Note 15. Non-current assets - deferred tax**

	2022 £'000	2021 £'000
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Accelerated capital allowances	-	57
Short term timing differences	-	345
Deferred tax asset	-	402
Amount expected to be recovered within 12 months	-	402
<i>Movements:</i>		
Opening balance	402	2
Credited/(charged) to profit or loss (note 10)	(402)	400
Closing balance	-	402

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 16. Current assets - inventories**

	2022 £'000	2021 £'000
Stock on hand - at cost	19	22

**Note 17. Current assets - trade and other receivables - amounts falling due within one year**

	2022 £'000	2021 £'000
Trade receivables	416	331
Less: Allowance for expected credit losses	(1)	(7)
	<u>415</u>	<u>324</u>
Amounts owed by group undertakings	47,966	4,826
Prepayments	787	488
Other debtors	50	147
	<u>49,218</u>	<u>5,785</u>

Amounts owed by group undertakings are unsecure, interest free, have no fixed repayment date and are repayable on demand.

**Note 18. Current assets - cash and cash equivalents**

	2022 £'000	2021 £'000
Cash at bank and in hand	1,846	1,928

**Note 19. Current assets - contract assets**

	2022 £'000	2021 £'000
Contract assets	90	239

Refer to note 3 for detailed information on Restatement of comparatives.

**Note 20. Current assets - income tax refund due**

	2022 £'000	2021 £'000
Income tax refund due	102	-

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 21. Non-current liabilities - deferred tax**

	2022 £'000	2021 £'000
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Accelerated capital allowances	41	-
Short term timing differences	(7)	-
Losses and deductions	(7)	-
Deferred tax liability	<u>27</u>	<u>-</u>
Amount expected to be settled within 12 months	<u>27</u>	<u>-</u>
<i>Movements:</i>		
Opening balance	-	-
Charged to profit or loss (note 10)	27	-
Closing balance	<u>27</u>	<u>-</u>

**Note 22. Non-current liabilities - contract liabilities**

	2022 £'000	2021 £'000
Contract liabilities	<u>51</u>	<u>25</u>

**Note 23. Non-current liabilities - lease liabilities**

	2022 £'000	2021 £'000
Lease liability	<u>32</u>	<u>174</u>

**Note 24. Non-current liabilities - provisions**

	2022 £'000	2021 £'000
Long term incentive plan (LTIP)	<u>-</u>	<u>1,360</u>

*Long term incentive plan*

In recognition of services to the company a long term incentive plan has been implemented which will result in payments to those staff still with the business when a change of ownership occurs.

**Note 25. Current liabilities - trade and other payables - amounts falling due within one year**

	2022 £'000	2021 £'000
Trade payables	782	523
Accrued expenses	1,079	687
Other creditors	306	423
Amounts owed to group undertakings	45,556	286
	<u>47,723</u>	<u>1,919</u>

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 25. Current liabilities - trade and other payables - amounts falling due within one year (continued)**

Amounts owed to group undertakings are unsecure, interest free, have no fixed repayment date and are repayable on demand.

**Note 26. Current liabilities - contract liabilities**

	2022 £'000	2021 £'000
Contract liabilities	<u>123</u>	<u>82</u>

Refer to note 3 for detailed information on Restatement of comparatives.

**Note 27. Current liabilities - lease liabilities**

	2022 £'000	2021 £'000
Lease liability	<u>99</u>	<u>89</u>

**Note 28. Current liabilities - income tax**

	2022 £'000	2021 £'000
Provision for income tax	<u>-</u>	<u>83</u>

Refer to note 3 for detailed information on Restatement of comparatives.

**Note 29. Equity - issued capital**

	Number 2022	Number 2021	Value (£) 2022	Value (£) 2021
Ordinary £0.001 shares	1,400,000	1,400,000	1,400	1,400
Ordinary £0.001 B shares	700,000	700,000	700	700
Ordinary £0.001 C shares	300,000	300,000	300	300
Ordinary £0.001 D shares	300,000	300,000	300	300
Ordinary £0.001 E shares	300,000	300,000	300	300
	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000</u>	<u>3,000</u>

All classes of share rank pari-passu, except that directors can vary the distributions paid by class of share.

All shares are owned by the immediate parent CitNow Video Limited.

**Note 30. Equity - Share premium account**

	2022 £'000	2021 £'000
Share premium reserve	<u>19</u>	<u>19</u>

**Zype TV Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 31. Equity - retained earnings**

	2022 £'000	2021 £'000
Retained profits at the beginning of the financial year	5,604	1,977
Profit/(loss) after income tax expense for the year	<u>(1,255)</u>	<u>3,627</u>
Retained profits at the end of the financial year	<u><u>4,349</u></u>	<u><u>5,604</u></u>

Refer to note 3 for detailed information on Restatement of comparatives.

**Note 32. Auditors remuneration**

During the financial year the following fees were paid or payable for services provided by BDO LLP, the auditor of the company:

	2022 £'000	2021 £'000
<i>Audit services</i>		
Audit of the financial statements	<u>42</u>	<u>24</u>
<i>Other services</i>		
Tax compliance	6	6
R&D Tax advisory	<u>-</u>	<u>2</u>
	<u>6</u>	<u>8</u>
	<u><u>48</u></u>	<u><u>32</u></u>

**Note 33. Contingent liabilities**

As at the 31 December 2022 the company had guaranteed the borrowings of FIS3 Bidco Limited totalling £114,258,000 (Borrowings guaranteed in the prior year were with Argus Bidco Limited - £33,335,000).

At the balance sheet date FIS3 Bidco Limited had fulfilled all of its obligations under the terms of the loan.

**Note 34. Related party transactions**

No transactions with related parties were undertaken such as are required to be disclosed under International Accounting Standard (IAS 24). The directors have taken the exemption available under FRS 101 Section 8k, where it is a wholly owned subsidiary and the parents consolidated financial statements, FIS3 Topco Limited, are publicly available.

*Ultimate controlling party*

The ultimate controlling party is Livingbridge 7 Global LP.

**Note 35. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.