

Digital Impact (UK) Limited
Report and Financial Statements
Year ended 31 March 2020

Company Registration No: 04234696

Digital Impact (UK)
Report and financial statements for the
31 March 2020

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Digital Impact (UK)
Report and financial statements for the
34th Mandate
2020
Officers and professional
advisers

Directo

Jose-Luis
Vazquez

Company

Secretary.
Filex Services
Ltd

Registered

Office
68 Lombard

~~Street~~

EC3V

9LJ

Banker

Barclays Bank

plc

Bankinghill

Plando

E14

5HD

Solicito

~~rs~~
Howard Kennedy

101. London

~~Bridge~~

W1W

5LS

Auditor

~~s~~
BDO LLP

55 Baker Street

London

W1U 7EU

Digital Impact (UK) Limited

Director's report for the year ended 31 March 2020

The director presents his report and financial statements for the year ended 31 March 2020.

Principal activities, review of business and future developments

The principal activity of the company was the development and delivery of innovative software solutions for digital interactive television. However, as explained in note 1 to the financial statements, on 30 September 2019, the activities of the company were fully transferred to its parent company, Mirada Plc. The director plans to dissolve the company before 31 March 2021.

Profit after taxation for the year was £2,921 (year ended 31 March 2019: £100,990).

There were no dividends paid or proposed during the year (year ended 31 March 2019: £Nil).

Principal risks and uncertainties

The company only has one customer, Mirada Iberia, SAU, which is a related party as it belongs to the Mirada Group.

Directors' and officers' indemnity insurance

The Company's ultimate holding company, Mirada Plc, has taken out an insurance policy to indemnify the directors and officers of the company and its subsidiaries in respect of certain liabilities which may attach to them in their capacity as directors or officers of the Group, so far as permitted by law. This policy remained in force throughout the year and remains in place at the date of this report.

Director

The director who served during the year was:

Jose-Luis

Vazquez

Jose-Luis Vazquez is also a director of the ultimate parent company, Mirada plc.

Digital Impact (UK) Limited

Director's report for the year ended 31 March 2020

(continued)

Statement of director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Auditor

The director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken in order to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditor 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption as per section 415A of the Companies Act 2006.

Approved and signed by the
Director.

José-Luis
Vázquez
06 October
2020

Digital Impact (UK) Limited

Independent auditor's

report Opinion

We have audited the financial statements of Digital Impact (UK) Limited ("the Company") for the year ended 31 March 2020 which comprise Statement of comprehensive Income, Statement of financial position and 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to Note 1 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider the company to be a going concern. Accordingly the financial statements have been prepared on a basis other than that of going concern as described in Note 1. Our opinion is not modified in this respect of this matter.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Digital Impact (UK) Limited

Independent auditor's report (continued)

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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has 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 Director's 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Director was not entitled to take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of director's responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities 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.

Digital Impact (UK) Limited

Independent auditor's report (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

David Butcher (Senior Statutory
~~Auditor~~) on behalf of BDO LLP, statutory
~~auditor~~,

UK

06 October

2020

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

Digital Impact (UK)
Limited
Statement of comprehensive income for the year ended
31 March 2020

	Note	202	201
	s	£000	£000
		0	0
Turnover	2	89	1,72
Administrative expenses		(889)	(1,70)
Operating Profit	4	2	2
Interest receivable and similar income	5	-	7
Interest payable and similar charges	5	-	(14)
Profit on ordinary activities before taxation		2	15
Tax on profit on ordinary activities	6	1	8
Profit for the year		3	10
Other comprehensive income		-	-
Total comprehensive income		3	10

The notes on pages 10 to 17 form part of these financial statements.

**Digital Impact (UK)
Limited
Statement of financial position as at 31
March 2020**

Company number
04234696

	Note	£	2020	£	2019
Fixed assets					
Tangible assets	7		-		4
			-		4
					1
Current assets					
Debt	8		-		62
Cash at bank and in hand			-		2 3
			-		62
					5
Creditors: amounts falling due within one year	9		-		(669
Net current liabilities			-)(44
Net liabilities			-)(3
Capital and reserves					
Share capital	10		1		1
Premium			7,05		7,05
Accumulated losses			(9,05		(9,05
Total shareholders' deficit			1) -		4) (3)

These financial statements were approved by the Director and authorised for issue on 06 October 2020.

Jose-Luis
Díaz
Director

The notes on pages 10 to 17 form part of these financial statements.

**Digital Impact (UK)
Limited
Statement of changes in equity as at 31
March 2020**

	Shar capita l £00 0	Shar premiu m accou nt £00 0	Accumulat ed los s £00 0	Tota l £00 0
Balance at 1 April	1	7,05	(7,05	(3)
2019 comprehensive	-	0	4) 3	3
Balance at 31 March	1	7,05	(7,05	-
2020		0	1)	

	Shar capita l £00 0	Shar premiu m accou nt £00 0	Accumulat ed los s £00 0	Tota l £00 0
Balance at 1 April	0 1	7,05	(7,15	104
2018 comprehensive	-	0	5) 10) 10
Balance at 31 March	1	7,05	(7,05	(3)
2019		0	4)	

The notes on pages 10 to 17 form part of these financial statements.

Digital Impact (UK) Limited Notes to the Accounts for the year ended 31 March 2020 (continued)

1. Company information and accounting policies

(continued)

Furthermore, the operating lease expense has been replaced by a charge for straight-line amortisation of right of use assets and an interest expense on lease liabilities.

This standard has not introduced significant changes in the accounting for lease contracts by the lessor due to lease terminated 6 months within the financial year rendering it to be a lease for less than 12 months.

The Company previously classified leases as operating or finance leases under IAS 17 (refer to note 11). With respect to the leases classified as finance leases in accordance with IAS 17, the book value of the right of use asset and the lease liability on the date of first-time application date will be the carrying amount of the lease asset and the lease liability immediately prior to that date, measured in accordance with IAS 17. With respect to those leases, the lessee will record the asset by right of use and the lease liability in accordance with this standard as of the date of first-time application.

Other new amended standards and interpretations issued by the IASB that apply to the financial statements do not impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. These standards are:

- **IFRIC 23 - Uncertainty over Income Tax**
- **Treatments**
- **Amendments to IFRS 9 - Prepayment Features with**
- **Negative Compensation**
- **Amendments to IAS 19 - Employee**
- **Benefits**
- **Annual Improvements to IFRS Standards**
- **2015-2017 Cycle**

Judgements and key areas of estimation

uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the company's director to exercise judgment in applying the company's accounting policies.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less

depreciation.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Short-term leasehold improvements	10% per annum
Plant and machinery	33.3% per annum
Fixtures, fittings, tools and equipment	33.3% per annum

Impairment of tangible fixed

assets

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial period end.

Research and development

Expenditure on research and development is recognised as an expense in the period in which it is incurred.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

**Digital Impact (UK)
Limited
Notes to the
Accounts ended 31 March (continued)
2020 d)**

1. Company information and accounting policies

(continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result from an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Research and development

tax credit

The company is entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credits). The company accounts for such allowances as tax credits, which means that they are recognised when it is probable that the benefit will flow to the company and that the benefit can be reliably measured. R&D tax credits reduced current tax expense and, to the extent the amounts due in respect of them are not settled by the statement of financial position date, reduce current tax payable.

Debtor

Debtors represent amounts due from customers in the normal course of business. All amounts are initially stated at their fair value and are subsequently carried at amortised cost, less provision for impairment which is calculated on an individual customer basis, where there is objective evidence. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets. During this process the probability of non-payment of a trade receivable balance is assessed and multiplied by an expected amount of credit loss as a result of the likely credit default. The Company has set up a matrix using the age a debtor is overdue and any likely events as a criteria to determine the default probability. This uses 5 categories ranging from 0% to 90% probability. The impact of the new standard on the Company impairment provision for receivables from related parties and loans to related parties was immaterial.

are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Creditor

Creditors are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Turnover

Turnover, which excludes value added tax, comprises revenue from the provision of interactive software for digital television and is recognised as these services are provided or in accordance with the contract. All turnover relates to sales made to fellow group companies and is recognised as these services are provided in accordance with the contract.

**Digital Impact (UK)
Limited
Notes to the
Accounts ended 31 March (continue
2020 d)**

1. Company information and accounting policies

**(continued)
Operating lease
agreements**

In 2019, rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

**Pension
costs**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

2. Turnover

Turnover arises in the United Kingdom in the current and prior year.

**3. Employees and
director**

	202 £000	201 £000
Staff costs, including the director,		
wages and salaries	48	1,00
social security costs	648	611
pension costs	10	11
staff costs	<u>54</u>	<u>1,13</u>
	<u>4</u>	<u>6</u>

	202 Number	201 Number
Average number of persons employed (including the director)		
Production	7	2
Office and management	<u>1</u>	<u>31</u>
	<u>8</u>	<u>24</u>

The director's emoluments were paid by Mirada plc, the company's ultimate parent, for services to group companies and it is not considered practical to allocate this cost to the individual group companies.

4. Operating

**profit
Operating loss is after
charging:**

	202 £000	201 £000
Depreciated	41	13
Rentals under operating leases - land & buildings	40	90

**Digital Impact (UK)
Limited
Notes to the
Accounts ended 31 March (continue
2020 d)**

Contained within rentals under operating leases are costs of dilapidations totalling £12,500.
The auditor's remuneration for both the year ended 31 March 2020 and 31 March 2019 was borne by Mirada Plc, the ultimate holding company.

5. Finance income and finance expense

	Year ended ended March 2020 £000	Year ended ended March 2019 £000
Interest receivable and similar income	0	0
Interest receivable	-	7
	<u>-</u>	<u>7</u>
Interest payable and similar charges		
Interest payable	-	1
	<u>-</u>	<u>4</u>
		<u>1</u>
		<u>4</u>

6. Taxation

	2020 £000	2019 £000
UK Corporation Tax included in profit or loss		
Tax on ordinary activities	-	-
Research & development tax credit	1	86
Total Current Tax	<u>1</u>	<u>86</u>
Profit on ordinary activities before taxation	<u>2</u>	<u>15</u>
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019: 19%)	-	(3)
Non-deductible expenditure	-	-
Tax losses carried forward / (utilised)	-	-
Research & development tax credit	(1)	(86)
Total current tax credit for the year	<u>(1)</u>	<u>(86)</u>

The value of the unrecognised tax loss carried forward at 31 March 2020 is £Nil as the trade has been transferred to Mirada Plc (2019: £4,793,595). There is a total potential deferred tax asset of £Nil (2019: £814,911) that has not been recognised due to the uncertainty concerning the timescale as to its recoverability.

**Digital Impact (UK)
Limited
Notes to the
Accounts ended 31 March (continue
2020 d)**

**7. Tangible fixed
assets**

	Short- term improvements	Leasehold improvements £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost					
At 1 April 2019		9	25	7	42
Additions	7	4		3	
Discontinued on disposal	-	(97)	-	(72)	(423)
At 31 March 2020	-				
Depreciated					
At 1 April 2019		6	25	6	38
Charge for the year	2	3	2	8	4
Discontinued on disposal	5	(97)	2	(72)	(423)
At 31 March 2020	-				
Net book value					
At 31 March 2020					
At 31 March 2019	5	3	2	4	4

8. Debtors

	31 March 2020 £000	31 March 2019 £000
Prepayment	-	6
Amounts owed by group undertakings	-	53
Taxation and social security	-	28
	-	4
	-	62
		2

All amounts shown under debtors are recoverable within one year.

**Digital Impact (UK)
Limited
Notes to the
Accounts ended 31 March (continued)
2020**

9. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	-	1
Amounts owed to group undertakings	-	59
Others	-	47
	<u>-</u>	<u>66</u>
	<u>0</u>	<u>9</u>

10 Share capital

	2020 £'000	2019 £'000
Called up, allotted and fully paid ordinary shares of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

At 31 March 2020 and 2019, the share capital amounted to £1,001 and was divided into 1,001 fully paid shares of £1 each. All the shares are of a single class and series and carry the same voting and dividend rights.

The share premium account represents the premium arising on equity shares issued.

The Accumulated losses account represent cumulative profits and losses, net of dividend paid and other adjustments.

11 Operating lease commitments

At 31 March 2020 Digital Impact (UK) Limited had future minimum payments under non-cancellable operating leases as set out below:

	2020 Land and buildings £'000	2019 Land and buildings £'000
Leases which will expire: Within 1 year	-	2
Within 2 and 5 years	-	4
After 5 years	<u>-</u>	<u>-</u>

**Digital Impact (UK)
Limited
Notes to the
Accounts ended 31 March (continue
2020 d)**

12 Pensio

- The company provides pension arrangements to all full-time employees through a defined contribution scheme. The pension cost charge in the year was £10,655 (2019: £19,120).

13 Ultimate parent

- The company's ultimate parent is Mirada plc, a company incorporated in Great Britain. Mirada plc is the parent of the largest and smallest group of which the company is a member, and for which consolidated group accounts are prepared. Copies of the group financial statements are available from Mirada plc's website, <https://www.mirada.tv/investors/financial-results/>. The company's immediate parent is Mirada Iberia S.A., a company incorporated in Spain.

14 Related party transactions

- The company has taken advantage of the exemption from related party disclosures available under FRS 101 Reduced Disclosure Framework which allows it not to disclose transactions with other group companies that are 100% owned by the group, as the consolidated financial statements of the ultimate parent company are publicly available.

