
VIDEO PERFORMANCE LIMITED

(A company limited by guarantee)

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

VIDEO PERFORMANCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their Strategic Report on Video Performance Limited (“VPL” or “the company”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

VPL's principal activity during the year was the collection and distribution of licence fees for the broadcasting and public performance of music videos on behalf of its members. The total amount available for distribution in the Statement of Comprehensive Income is distributed to its members, with the intention that there are no retained reserves at any particular Statement of Financial Position date.

BUSINESS REVIEW

During the year, VPL collected licence fee income of £5.2m (2024: £6.5m) and delivered net distributable revenue of £4.7m (2024: £6.1m). Licence fee income declined in 2025, which reflects the continued trend of reduced use of music videos across a significant part of VPL's licensing activities, but particularly within television broadcasting.

The Statement of Financial Position reflects a £nil (2024: £nil) net asset position. Despite this, management considers the going concern basis of accounting to be appropriate as the timing of liabilities to members is at the discretion of VPL. In addition, the sufficient cash reserves coupled with VPL's ability to generate cash provides adequate resources to continue in operational existence for the foreseeable future.

KEY PERFORMANCE INDICATORS

VPL considers its key performance indicators to be income growth, net distributable revenue growth and cost to income ratio. Total licence fee income decreased in the year to 31 December 2025 by £1.3m (20%) to £5.2m from £6.5m in 2024. Total net distributable revenue decreased in the year by 23% from £6.1m to £4.7m. The cost to income ratio has increased to 14.5% (2024: 11.0%).

PRINCIPAL RISKS AND UNCERTAINTIES

The directors and management of VPL are aware of their responsibility for managing risk and regularly evaluate the risks and uncertainties that could affect future performance.

Economic risk exists where there is uncertainty in the broader geopolitical landscape for both VPL's licensees and members. VPL members continue to be impacted by the changes within the music business, particularly with increasing access to music videos via online services meaning their 'use' in the broadcasting and public performance markets continue to decline.

Liquidity risk is mitigated by actively managing cash generation and funding requirements. Distribution payments to members are only made on licence fees collected. Price risk occurs where new licence arrangements are challenged. VPL seeks to mitigate these risks in its negotiations of bespoke licence agreements, and it does this in the changing and/or setting of its published tariffs by consulting with affected licensees and/or their representative bodies in the manner set out in VPL's Code of Conduct. Legislative risk can occur where VPL is subject to any legislative changes, for example, changes to copyright law. This nature of risk is mitigated through the activities of VPL's relevant business teams (including Legal & Business Affairs, Human Resources and Finance) who actively monitor and advise the business on potential relevant changes and work to assess potential impacts, often working with the support of specialist external advisors.

By order of the Board



C WAITE
SECRETARY

31 March 2026

VIDEO PERFORMANCE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their Report of the Directors and the audited financial statements of VPL to the members for the year ended 31 December 2025.

FUTURE DEVELOPMENTS

The company's business activities and factors likely to affect its future performance are set out in the Strategic Report.

GOING CONCERN

The Statement of Financial Position reflects a £nil (2024 £nil) net asset position. Despite this, management considers the going concern basis of accounting to be appropriate as the timing of liabilities to members is at the discretion of VPL. In addition, the sufficient cash reserves coupled with VPL's ability to generate cash provides adequate resources to continue in operational existence for the foreseeable future.

FINANCIAL RISK MANAGEMENT

The company's assessment of its exposure to elements of financial risk are set out in the Strategic Report.

INDEMNITY PROVISION FOR DIRECTORS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the companies Act 2006 S234. Such qualifying third-party indemnity provision was in force during the financial year and at the date of approval of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the Financial Statements in accordance with applicable law and regulation.

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also 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.

VIDEO PERFORMANCE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

H Deakin
R Gruschke
P Leathem OBE
C Saxe
A Sear
M Smith
S Damani
A Wenham

By order of the Board



C WAITE
SECRETARY
31 March 2026

Independent auditors' report to the members of Video Performance Limited

Report on the audit of the financial statements

Opinion

In our opinion, Video Performance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Report of the Directors and Financial Statements (the "Annual Report"), which comprise:

- the Statement of Financial Position as at 31 December 2025;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection regulations and the Collective Management of Copyright (EU Directive) Regulations 2016, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting, specifically the posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management and internal legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

- Addressing the risk of management override of controls, including testing of journal entries (in particular, journal entries posted with an unusual account combination); and
- Evaluating and, where appropriate, challenging assumptions and judgments made by management in determining accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

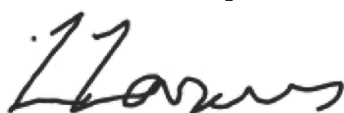
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Louise Lazarus (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 March 2026

VIDEO PERFORMANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £000	2024 £000
LICENCE FEE INCOME	2	5,195	6,496
Cost of collection and distribution		(752)	(717)
NET INCOME BEFORE INTEREST AND TAXATION	3	4,443	5,779
Interest receivable and similar income	4	293	369
NET INCOME BEFORE TAXATION		4,736	6,148
Tax on profit	6	-	-
AMOUNT AVAILABLE FOR DISTRIBUTION		4,736	6,148
Amount to be distributed members		(4,736)	(6,148)
RETAINED RESERVES		-	-
Cost to income ratio		14.5%	11.0%

The results above for the current and prior year refer entirely to continuing operations.

There were no other comprehensive income or expense for the current or prior financial year other than as stated in the Statement of Comprehensive Income, and hence no Statement of Other Comprehensive Income has been presented.

VIDEO PERFORMANCE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 £000	2024 £000
CURRENT ASSETS			
Licence fees receivable		466	540
Other debtors		130	96
Prepayments and accrued income		101	607
Short term fixed deposits (Greater than 3 months)		4,500	2,000
Cash at bank and in hand		2,602	5,020
		7,799	8,263
CREDITORS: amounts falling due within one year	7	(7,745)	(8,209)
		54	54
NET CURRENT ASSETS			
		54	54
TOTAL ASSETS LESS CURRENT LIABILITIES			
		54	54
PROVISIONS FOR LIABILITIES	8	(54)	(54)
		-	-
NET ASSETS			
		-	-
RESERVES			
		-	-
Retained earnings		-	-

The financial statements on pages 8 to 21, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cashflow Statement and the related notes were approved by the Board of Directors on 31 March 2026 and are signed on its behalf by:



P Leathem OBE
Director

VIDEO PERFORMANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Retained Earnings £000
Balance as at 1 January 2024	-
Result for the financial year	-
Other comprehensive result for the year	-
Total comprehensive result for the year	-
Balance as at 31 December 2024	-
Result for the financial year	-
Other comprehensive result for the year	-
Total comprehensive result for the year	-
Balance as at 31 December 2025	-

VIDEO PERFORMANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £000	2024 £000
CASHFLOWS FROM OPERATING ACTIVITIES			
Net cash flow from operating activities	9	5,228	5,514
Amounts distributed to members		(5,406)	(6,335)
Net cash (used in) operating activities		(178)	(821)
CASHFLOWS FROM INVESTING ACTIVITIES			
Interest received		260	468
Proceeds from short term fixed deposits		2,000	6,000
Purchases of short term fixed deposits		(4,500)	(2,000)
Net cash (used in) / generated from investing activities		(2,240)	4,468
NET (DECREASE) / INCREASE IN CASH AT BANK AND IN HAND		(2,418)	3,647
Cash and cash equivalents at the beginning of the year		5,020	1,373
Cash and cash equivalents at the end of the year		2,602	5,020
Cash and cash equivalents comprises:			
Cash at bank and in hand		2,602	5,020
Total cash and cash equivalents		2,602	5,020

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES

General information

VPL is a private company limited by guarantee. The address of its registered office is 1 Upper James Street, London, W1F 9DE, United Kingdom.

The principal activity of the company is the collection and distribution of licence fees for the broadcasting and public performance of music videos on behalf of its members.

Statement of compliance

The financial statements of VPL have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

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

a) Basis of accounting

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and Applicable Accounting Standards in the United Kingdom.

b) Going concern

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Management considers the going concern basis to be appropriate as the timing of current liabilities payable to members is at the discretion of VPL. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Format of the Statement of Comprehensive Income and the Statement of Financial Position

The formats of the Statement of Comprehensive Income and the Statement of Financial Position have been adapted from that prescribed by the Companies Act 2006 in order to better reflect the nature of the business.

d) Foreign currencies

i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the reporting date. Foreign currency transactions during the year are translated into sterling at the rate ruling on the date of the transaction. All foreign exchange differences are taken to the Statement of Comprehensive Income in the year in which they arise.

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES (Continued)

e) Licence fee income/receivable

The company recognises revenue when the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the company.

In the event of over-payments, licence fee income is recognised if the payments could not be refunded, despite efforts to contact the relevant party over a reasonable period of time.

a) Public Performance & Dubbing

Public Performance income is accounted for on an accruals basis so that income is recognised in the period to which it relates. Dubbing income is recognised upon receipt of utilisation information from customers.

b) Broadcasting

Broadcasting income is recognised over the period of the contract, and income is accounted for in the period to which it relates. In the absence of an invoice, broadcasting and online income is accrued based upon on management estimates of licence fees in respect of any contracts that are under negotiation.

Licence fees receivable in relation to public performance revenues as at 31 December 2025 represent amounts due from the PPL PRS Limited joint venture.

f) Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

i) Short term benefits

Short term benefits including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined benefit pension plan

One VPL director participates in the Phonographic Performance Limited ('PPL') defined benefit scheme. The amount in respect of this VPL director is recognised in the PPL Statement of Comprehensive Income and Statement of Financial Position. Full disclosure in respect of the defined benefit scheme can be found in the PPL financial statements.

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES (Continued)

g) Taxation (continued)

ii) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

h) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

i) Provisions for liabilities

i) Dilapidations

Provision is made for dilapidations where the lease requires the reinstatement of the premises to its original state. The level of provision is based upon a damages report and is reviewed annually.

ii) Refunds

Provision is made for all significant refunds made in the post reporting period which relate to licence fees received in the year.

j) Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES (continued)

j) Financial instruments (continued)

carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade creditors and short-term loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The company does not hold or issue derivative financial instruments.

iii) Offsetting

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

k) Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements in the preparation of the financial statements.

i) Broadcasting Revenue

Broadcasting revenue is accounted for over the period of the contract, so that income is recognised in the period to which it relates. Accrued income of £100,697 (2024: £605,290) is based on management estimates of licence fees in respect of any contracts that are under negotiation and any estimates are typically informed by

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. ACCOUNTING POLICIES (continued)

k) Critical accounting judgements and key source of estimation uncertainty (continued)

i) Broadcasting Revenue (continued)

'agreements in principle'. When evaluating the probability of collection, management considers factors including the credit risk profile of the licensee, historical experience and any other evidence or knowledge of current issues.

ii) Public Performance Revenue

The collection of public performance revenue is managed by PPL PRS Limited, a joint venture between PPL and PRS for Music Limited. When assessing the probability of collection, management considers factors including the credit risk profile of the licensee, historical experience and any other evidence or knowledge of current issues that PPL PRS Ltd is experiencing. See notes 2 and 11 for the disclosures relating to public performance revenue.

iii) Provision for doubtful debts

The recoverability of licence fees receivable requires judgement. The company uses all available evidence to determine the appropriate level of provision for impairment of licence fee receivables, including known disputes, historical trends in write-offs, collections post year end and the ageing of the receivables.

l) Short term Investments

Short term investments consist of short term fixed deposits with the original maturity between three to twelve months. The allocation of the investments is governed by the company's Treasury policy, which ensures that placements are made in accordance with approved risk parameters.

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2. LICENCE FEE INCOME

	2025 £000	2024 £000
Analysis of turnover by licence type:		
Broadcasting and video store income	4,569	5,420
Public performance and dubbing income	626	1,076
	<u>5,195</u>	<u>6,496</u>
Analysis of turnover by territory of origin:		
United Kingdom	5,108	6,328
Rest of the World	87	168
	<u>5,195</u>	<u>6,496</u>

3. NET INCOME BEFORE INTEREST AND TAXATION

	2025 £000	2024 £000
Net income before interest and taxation is stated after charging:		
Services provided by the company's auditors:		
Fees payable for the audit	27	22
Fees payable for other services:		
Audit-related assurance services	3	2

The directors have agreed with the company's auditors that the auditors' liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 December 2025 will be limited to the greater of £5m or 5 times the auditors' fees for the statutory audit, and that in any event the auditors' liability for damages will be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditors, the company and any third parties are responsible for the loss in question. The members approved this limited liability agreement, as required by the Companies Act 2006, by resolution dated 16th September 2025.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2025 £000	2024 £000
Interest receivable on cash at bank and short term deposits	<u>293</u>	<u>369</u>

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5. STAFF COSTS

	2025 £000	2024 £000
Gross staff costs:		
Wages and salaries	515	479
	<u>515</u>	<u>479</u>
	Number 2025	Number 2024
Monthly average number of employees:		
Office and management	-	-
	<u>-</u>	<u>-</u>

Wages and salaries include recharged costs from Phonographic Performance Limited.

Directors' emoluments:

Video Performance Limited paid no directors' remuneration during the year (2024: £nil). Full salary and related costs in respect of P Leathem OBE were incurred by Phonographic Performance Limited and recharged to Video Performance Limited as an element of the overall company cost recharge.

No directors (2024: none) are accruing any benefits under the defined benefit scheme for which Video Performance Limited bears the cost. Pension benefits for P Leathem OBE are disclosed in the financial statements of Phonographic Performance Limited.

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6. TAX ON PROFIT

The charge for taxation for the year is calculated on disallowable items after the deduction of capital allowances:

	2025 £000	2024 £000
Current tax:		
UK corporation tax	-	-
Total tax charge	-	-

The tax assessed for the year is the standard rate of corporation tax in the UK of 25% (2024: 25%)

	2025 £000	2024 £000
Factors affecting tax charge for the year		
Net income before taxation	4,736	6,148
Net income before taxation at the UK tax rate 25% (2024:25%)	1,184	1,537
Effects of:		
Permanent difference	(1,184)	(1,537)
Total tax	-	-

The company has an unrecognised deferred tax asset as follows:

	2025 £000	2024 £000
Other timing differences	1	1
Net deferred tax asset - unrecognised	1	1

No provision has been made for this deferred tax asset on the basis that the majority of the company's net income is not taxable and therefore the availability of suitable future taxable profits against which it could be realised is not certain.

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £000	2024 £000
Amounts owed to members	6,181	6,850
Other creditors including taxation and social security	821	748
Accruals and deferred income	743	611
	<u>7,745</u>	<u>8,209</u>

Other creditors includes a balance payable to Phonographic Performance Limited of £398,507 (2024: £287,731) in relation to the recharge of operating expenses to Video Performance Limited.

8. PROVISIONS FOR LIABILITIES

	2025 £000	2024 £000
Provision for dilapidations		
At beginning of the year	54	54
At the end of the year	<u>54</u>	<u>54</u>
Provision for refunds		
At beginning of the year	-	-
Charge for the year	-	-
Utilised in the year	-	-
At the end of the year	<u>-</u>	<u>-</u>
Total provisions	<u>54</u>	<u>54</u>

Dilapidations

The dilapidations provision represents the amount required to reinstate the premises to a state as required under the lease, which expires in 2030. The provision is expected to be fully utilised in 2030.

VIDEO PERFORMANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

9. NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £000	2024 £000
Net income before interest and taxation	4,443	5,779
Decrease / (Increase) in debtors	580	(618)
Increase in creditors	205	353
Net cash increase from operating activities	5,228	5,514

10. TRANSACTIONS WITH DIRECTORS

There were no other transactions with directors during the year (2024: £Nil).

11. RELATED PARTY TRANSACTIONS

Income collected by VPL is distributed to its members and allocations remaining for more than three years are reallocated and redistributed in accordance with VPL's distribution rules.

Phonographic Performance Limited (PPL) is deemed to be a related party as VPL is operated from PPL offices and by PPL staff members, therefore operating expenses incurred of £722,651 (2024: £717,276) was in relation to expenses recharged from PPL.

PPL PRS Limited is a joint venture (JV) between PPL and PRS for Music Limited which was launched in February 2018. PPL PRS Limited is responsible for the collection of public performance income. Operating costs incurred by PPL PRS Limited are recharged back to both parent companies. Costs in relation to VPL are then recharged from PPL.

Transactions in relation to the joint venture are summarised below:

	2025 £000	2024 £000
Amounts recognised in the Statement of Comprehensive Income:		
Recharged costs	(46)	(46)
Amounts owed / (due) in relation to the joint venture:		
Amounts owed by the joint venture	27	13

Amounts owed by the joint venture above represent amounts billed from the joint venture on behalf of VPL. The debtors and revenue related to public performance have been adjusted to take into account probability of collection.