

Company Registration No. 03408170 (England and Wales)

Alliance Films (UK) Limited

**Annual report and financial statements
for the period ended 25 December 2022**

Alliance Films (UK) Limited

Contents

	Page
Officers and professional advisers	1
Directors' report	2 - 3
Statement of director's responsibilities	4
Independent auditor's report	6 - 9
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the accounts	11 - 20

Alliance Films (UK) Limited

Officers and professional advisers

Directors	Steven Andriuzzo Kim Mullenger
Company number	03408170
Registered office	Shropshire House 11-20 Capper Street London WC1E 6JA
Independent auditor	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	JPMorgan Chase 1 Knightsbridge London SW1X 7LX

Alliance Films (UK) Limited

Directors' report

For the period ended 25 December 2022

The directors present their annual report and financial statements for the period ended 25 December 2022.

Going concern

The directors continue to adopt the going concern basis in preparing the annual report and accounts. Further details are set out in note 1.3.

Dividends

No interim or final dividends were authorised or proposed to be paid during the year (December 2021: £nil).

Directors

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

Steven Andriuzzo

Kim Mullenger

Financial instruments

Liquidity risk

The Group maintains an appropriate liquidity risk management position by having sufficient cash and availability of funding through an intercompany facility which replaced its external committed credit facilities upon the close of the Hasbro transaction.

Foreign exchange risk

The Company is exposed to exchange rate fluctuations because it undertakes transactions denominated in foreign currency and it is exposed to foreign currency translation risk through its television division located in North America. The Company manages transaction foreign exchange exposures by undertaking foreign currency hedging using forward foreign exchange contracts for significant balances and transactions.

Auditor

The auditor, Saffery LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure of information to independent auditors

Each of the persons who is a 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 as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Alliance Films (UK) Limited

Directors' report (continued)

For the period ended 25 December 2022

Non-adjusting events

The following non-adjusting events have occurred since 25 December 2022:

- On 27 October 2023, the company passed a written resolution for a £141,406,759 capital reduction. The reduction was enacted in order to facilitate the repayment of intercompany loan balances ahead of the group sale to Lions Gate Entertainment Corp; and
- On 27 December 2023, Alliance Films (UK) Limited, as part of the wider group Entertainment One, was sold to Lions Gate Entertainment Corp. The result is such that Hasbro, Inc. is no longer the ultimate controlling entity.

Approved by the board of directors and signed on behalf of the board.

Kim Mullenger

Director

19 March 2024

Alliance Films (UK) Limited

**Statement of directors' responsibilities
For the period ended 25 December 2022**

The directors are responsible for preparing the annual report 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101, 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;
- 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;
- 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 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.

Alliance Films (UK) Limited

Independent auditor's report

To the members of Alliance Films (UK) Limited

Opinion

We have audited the financial statements of Alliance Films (UK) Limited (the 'company') for the period ended 26 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 December 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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.

Alliance Films (UK) Limited

Independent auditor's report (continued)

To the members of Alliance Films (UK) Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Alliance Films (UK) Limited

Independent auditor's report (continued)

To the members of Alliance Films (UK) Limited

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above 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 would become aware of it. 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 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.

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.

Darren Drake (Senior Statutory Auditor)

For and on behalf of Saffery LLP

20 March 2024

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Alliance Films (UK) Limited

**Statement of comprehensive income
For the period ended 25 December 2022**

		Period ended 25 December 2022 £'000	Period ended 26 December 2021 £'000
	Notes		
Revenue	3	4,943	8,263
Cost of sales		(1,451)	(2,730)
Gross profit		3,492	5,533
Administrative expenses		(1,873)	(268)
Operating profit	4	1,619	5,265
Interest payable and similar expenses	6	(16)	(195)
Profit before taxation		1,603	5,070
Tax on profit	7	448	(904)
Profit and total comprehensive income for the financial period	15	2,051	4,166

There is no difference between the results as disclosed in the profit and loss account and results on a historical cost basis. All activities relate to continuing operations. The notes on pages 11 - 20 form part of these accounts.

Alliance Films (UK) Limited**Balance sheet****As at 25 December 2022**

		25 December 2022 £'000	26 December 2021 £'000
	Notes		
Current assets			
Investment in acquired content rights	9	3,632	4,362
Other receivables:			
Amounts falling due within one year	10	68,600	56,337
Cash and cash equivalents		584	1,805
Deferred tax asset	13	6,362	5,959
		<u>79,178</u>	<u>68,463</u>
Current liabilities			
Other payables	12	28,487	19,823
		<u>28,487</u>	<u>19,823</u>
Net current assets		<u>50,691</u>	<u>48,640</u>
Total assets less current liabilities		<u>50,691</u>	<u>48,640</u>
Net assets being total assets less current liabilities		<u>50,691</u>	<u>48,640</u>
Capital and reserves			
Called up share capital	14	141,407	141,407
Retained earnings	15	(90,716)	(92,767)
		<u>50,691</u>	<u>48,640</u>
Total shareholders' funds		<u>50,691</u>	<u>48,640</u>

The financial statements were approved by the board of directors and authorised for issue on 19 March 2024 and are signed on its behalf by:

Kim Mullenger
Director

Company Registration No. 03408170

Alliance Films (UK) Limited

**Statement of changes in equity
For the period ended 25 December 2022**

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
Balance at 27 December 2020	141,407	(96,933)	44,474
Period ended 26 December 2021:			
Profit and total comprehensive income for the period	-	4,166	4,166
Balance at 26 December 2021	141,407	(92,767)	48,640
Period ended 25 December 2022:			
Profit and total comprehensive income for the period	-	2,051	2,051
Balance at 25 December 2022	141,407	(90,716)	50,691

Alliance Films (UK) Limited

Notes to the financial statements

For the period ended 25 December 2022

1 Accounting policies

Authorisation of financial statements and statement of compliance with FRS 101

Alliance Films (UK) Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office is Shropshire House, 11-20 Capper Street, London, WC1E 6JA.

The financial statements of Alliance Films (UK) Limited for the period ended 25 December 2022 were authorised for issue by the board of directors on 19 March 2024.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

1.1 Basis of preparation

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment, because the share based payment arrangement concerns the instruments of another group entity;
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly-owned by such a member; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Alliance Films (UK) Limited is a wholly owned subsidiary of Entertainment One UK Holdings Limited and the results of Alliance Films (UK) Limited are included in the consolidated financial statements of Hasbro, Inc which are available from 45 Warren Street, London, W1T 6AG.

1.2 Reporting period

The financial statements are presented for the period 27 December 2021 to 25 December 2022, a period of 52 weeks. The period is aligned with the reporting period of the wider group.

Alliance Films (UK) Limited

Notes to the financial statements (continued)

For the period ended 25 December 2022

1 Accounting policies (continued)

1.3 Going concern

The Company's activities, together with the factors likely to affect its future development, are set out in the directors' report.

Alliance Films (UK) Limited was a wholly-owned indirect subsidiary of Hasbro, Inc. and obtains financing through its parent company, Entertainment One UK Holdings Limited, in the form of intercompany loans.

On 27 December 2023, eOne was sold to Lions Gate Entertainment Corp. Similar to the financial support previously provided by Hasbro, Lions Gate will continue to support the Company.

The Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company is able to operate within its current cash reserves and intercompany financing arrangements. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company's annual financial statements.

1.4 Revenue

Revenue represents the amounts receivable for goods and services provided in the normal course of business, net of discounts and excluding value added tax (or equivalent). Revenue is derived from the marketing and distribution of feature films, and video programming rights. Revenue is also derived from film production. The following summarises the Company's main revenue recognition policies:

- Revenue from the exploitation of film rights is recognised based upon the completion of contractual obligations relevant to each agreement.
- Revenue is recognised where there is reasonable contractual certainty that the revenue is receivable and will be received.
- Revenue from the sale of own or co-produced film productions is recognised when the production is available for delivery and there is reasonable contractual certainty that the revenue is receivable and will be received.
- Revenue from the sale of home entertainment and audio inventory is recognised at the point at which goods are despatched. A provision is made for returns based on historical trends.
- Revenue from digital sales is recognised on transmission or during the period of transmission of the sponsored programme of digital channel.

1.5 Cash

Cash comprises cash in hand and deposits repayable on demand less overdrafts payable on demand. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.6 Other receivables

Other receivables are generally not interest-bearing and are stated at their fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.7 Trade and other payables

Other payables are generally not interest-bearing and are stated at their nominal value. The amounts owed to Entertainment One UK Holdings Limited are subject to interest at market rates.

1 Accounting policies (continued)

1.8 Taxation

Income tax

The income tax charge represents the sum of the current income tax payable and deferred tax.

The current income tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. This applies when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Pillar two taxation

The Company has applied the mandatory exception provided under Section 29 Income Taxes to neither recognize nor disclose information on deferred tax assets and liabilities related to Pillar Two income taxes.

1.9 Recognition and calculation of interest payable/receivable

Interest payable and receivable is calculated and recognised on an accruals basis.

Alliance Films (UK) Limited

Notes to the financial statements (continued)

For the period ended 25 December 2022

1 Accounting policies (continued)

1.10 Investment in content rights

In the ordinary course of business, the Company contracts with film producers to acquire content rights for exploitation. Certain of these agreements require the Company to pay minimum guaranteed advances ("MGs"). MGs are recognised in the balance sheet when a liability arises, usually on delivery of the film or television programme to the Company.

Investments in acquired content rights are recorded in the balance sheet if such amounts are considered recoverable against future revenues. These costs are amortised to cost of sales on a revenue forecast basis over a period not exceeding 10 years from the date of initial release. Acquired libraries are amortised over a period not exceeding 20 years. Amounts capitalised are reviewed at least quarterly and any portion of the unamortised amount that appears not to be recoverable from future net revenues is written-off to cost of sales during the period the loss becomes evident. Balances are included within current assets if they are expected to be realised within the normal operating cycle of the Film business. The normal operating cycle of this business can be greater than 12 months.

2 Significant accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements requires the Company to make estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period only, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Investment in acquired content rights

The Company capitalises investment in acquired content rights and then amortises these balances on a revenue forecast basis, recording the amortisation charge in cost of sales. Amounts capitalised are reviewed at least quarterly and any amounts that appear to be irrecoverable from future net revenues are written-off to cost of sales during the period the loss becomes evident. The estimate of future net revenues depends on the directors' judgement and assumptions based on the pattern of historical revenue streams and the remaining life of each contract.

Alliance Films (UK) Limited

Notes to the financial statements (continued)

For the period ended 25 December 2022

3 Revenue

	Period ended 25 December 2022 £'000	Period ended 26 December 2021 £'000
Revenue by class of business		
Theatrical, DVD, video, TV and digital distribution	2,952	1,856
Film production	1,991	6,407
	<u>4,943</u>	<u>8,263</u>
	2022 £'000	2021 £'000
Revenue by geographical area		
United Kingdom and Ireland	3,357	4,636
United States	805	2,164
Rest of World	781	1,463
	<u>4,943</u>	<u>8,263</u>

4 Operating profit

Operating profit for the period is stated after charging/(crediting):

	Period ended 25 December 2022 £'000	Period ended 26 December 2021 £'000
Fees payable to the Company's auditor for the audit of the Company's financial statements	52	59
Exchange losses / (gains)	545	(278)
Amortisation of intangible assets	623	710
	<u></u>	<u></u>

5 Staff costs and directors' remuneration

	Period ended 25 December 2022 £'000	Period ended 26 December 2021 £'000
Wages and salaries	1,274	267
	<u>1,274</u>	<u>267</u>

Alliance Films (UK) Limited

Notes to the financial statements (continued)

For the period ended 25 December 2022

5 Staff costs and directors' remuneration (continued)

This company does not have any employees during the year (Dec 2021: nil). Instead staff are employed by other group companies and salary costs are recharged from these group companies to the Company for their services for the amount £1,274k (Dec 2021: £267k).

The directors are remunerated by other group companies. During the year no directors (Dec 2021: nil) participated in a money purchase pension scheme.

6 Interest payable and similar expenses

	Period ended 25 December 2022 £'000	Period ended 26 December 2021 £'000
Payable on loans from other group companies	16	195
	<u>16</u>	<u>195</u>

7 Taxation

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profits for the current period	(448)	904
	<u>(448)</u>	<u>904</u>

The tax assessed for the year is lower (December 2021: higher) than at the standard rate of corporation tax in the United Kingdom of 19% (December 2021: 19%). The differences are explained as follows:

	2022 £'000	2021 £'000
Profit before taxation	1,603	5,070
Intercompany	(43)	
	<u>(43)</u>	<u></u>
Expected tax charge based on corporation tax rate of 19% (2021: 19%)	305	963
Effect of expenses not deductible in determining taxable profit	9	-
Adjustment in respect of prior years	(521)	-
Amortisation on assets not qualifying for tax allowances	-	(59)
Change in tax rate	(241)	-
	<u>(448)</u>	<u>904</u>
Taxation (credit)/charge for the period	(448)	904

The UK Government has enacted legislation to increase the main rate of UK corporation tax to 25% from 1 April 2023. The impact of the future rate changes will be accounted for to the extent that they are enacted at future balance sheet dates.

Alliance Films (UK) Limited

Notes to the financial statements (continued)

For the period ended 25 December 2022

8 Investments

**Wholly-owned
subsidiary
undertakings**
£'000

Costs at 26 December 2021 and 25 December 2022

-

Details of the investments, in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertakings	Place of incorporation and operations	Class of share held	Proportion of ownership interest and voting power held (%)
Aurum Producciones S.A.U	Spain	Ordinary	100
Alliance Films (UK) Development Limited	United Kingdom	Ordinary	100
eOne Films (EITS) Limited*	United Kingdom	Ordinary	100
eOne Films Insidious 3 Limited	United Kingdom	Ordinary	100
Alliance Films (UK) Sinister 2 Limited	United Kingdom	Ordinary	100
eOne Features (Development) Limited	United Kingdom	Ordinary	100
Suite Distribution Limited	United Kingdom	Ordinary	50

The registered office for the above companies registered in the United Kingdom is Shropshire House, 11-20 Capper Street, London, WC1E 6JA.

The registered office for Aurum Producciones S.A.U. is Aurum Planta 10, 12 Avenida de Burgos, Madrid 28036 Spain.

*During the year the subsidiary was dissolved

Alliance Films (UK) Limited

Notes to the financial statements (continued)

For the period ended 25 December 2022

9 Investment in acquired content rights

	Film rights £'000	Total £'000
Cost		
At 27 December 2021	281,741	281,741
Additions	(33)	(33)
Disposals	-	-
	<hr/>	<hr/>
At 25 December 2022	281,708	281,708
	<hr/>	<hr/>
Accumulated amortisation		
At 27 December 2021	277,361	277,361
Charge for the year	242	242
Impairment	473	473
	<hr/>	<hr/>
At 25 December 2022	278,076	278,076
	<hr/>	<hr/>
Carrying amount		
At 25 December 2022	3,632	3,632
	<hr/>	<hr/>
At 26 December 2021	4,380	4,380
	<hr/>	<hr/>

With respect to the impairment loss recognised in the period, this has arisen due to a difference between the asset value at the period end, and the future earning potential of the asset.

10 Other receivables

	25 December 2022 £'000	26 December 2021 £'000
Prepayments and accrued income	2,557	1,662
Other debtors	115	493
Amounts owed by subsidiary undertakings	34	32
Amounts owed by fellow group undertakings	65,894	54,150
	<hr/>	<hr/>
Amounts falling due within one year	68,600	56,337
	<hr/>	<hr/>

The directors consider that the carrying value of other receivables approximates to their fair value.

11 Liabilities

	Notes	2022 £'000	2021 £'000
Trade and other payables	12	28,487	19,823
		<hr/>	<hr/>

Alliance Films (UK) Limited

Notes to the financial statements (continued)

For the period ended 25 December 2022

12 Other payables

	25 December 2022 £'000	26 December 2021 £'000
Trade creditors	2	-
Accruals and deferred income	2,967	6,310
Other creditors	-	20
Amounts owed to subsidiary undertakings	22,994	8,418
Amounts owed to other group undertakings	2,524	5,075
	<u>28,487</u>	<u>19,823</u>

13 Deferred taxation

The deferred tax balances have been reflected in the balance sheet as follows:

	2022 £'000	2021 £'000
Deferred tax assets	<u>6,362</u>	<u>5,959</u>

The deferred tax asset balance as at year end is made up of £6.348k losses which are available to be surrendered to group companies and £14k resulting from timing differences.

14 Stated capital

	25 December 2022 £'000	26 December 2021 £'000
Allotted, called up and fully paid share capital		
141,406,908 Ordinary shares of £1 each	<u>141,407</u>	<u>141,407</u>

Alliance Films (UK) Limited

Notes to the financial statements (continued)

For the period ended 25 December 2022

15 Retained earnings

	25 December 2022 £'000	26 December 2021 £'000
At the beginning of the period	(92,767)	(96,933)
Profit for the period	2,051	4,166
At the end of the period	<u>(90,716)</u>	<u>(92,767)</u>

Retained earnings reserve represents cumulative profits or losses.

16 Related party transactions

The company has taken advantage of the exemption under paragraph 1AC.35 of FRS102 from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

17 Controlling entities

The Company is a wholly-owned subsidiary of Entertainment One UK Holdings Limited which is the immediate controlling entity as at 25 December 2022. The ultimate controlling entity as at 25 December 2022 is Hasbro, Inc. The parent undertaking of the largest and smallest group of companies into which the results of the Company are consolidated is Hasbro, Inc. the accounts of which are publicly available.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.