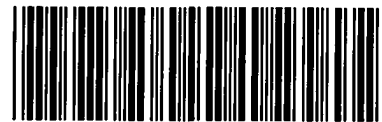


Registered number: 04149567

TECHNICOLOR MEDIA SERVICES (UK) LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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TECHNICOLOR MEDIA SERVICES (UK) LIMITED

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TECHNICOLOR MEDIA SERVICES (UK) LIMITED

COMPANY INFORMATION

Directors	E Horeaux T R Spence
Registered number	04149567
Registered office	16 Great Queen Street Covent Garden London United Kingdom WC2B 5AH
Independent auditor	Constantin Chartered Accountants and Statutory Auditor 25 Hosier Lane London United Kingdom EC1A 9LQ

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The directors have not prepared a separate strategic review in accordance with the exemption set out on section 414B of the Companies Act for small companies.

Future developments

Following the closure of the business in 2015 continuing activity relates to the settlement of brought forward receivables and liabilities.

Directors

The directors who served during the year were:

E Horeaux
T R Spence

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

Since the closing of the business in 2015, Technicolor Media Services has ceased to be an active trading company inside the Technicolor group. As Technicolor Media Services now limits its activities to servicing of the pension liabilities, the directors decided to adopt a basis of accounting other than going concern in preparing the financial statements. Most notably, all remaining assets as of December 2022 have been accounted at the lower of book or recoverable value.

On 31 March 2014, under Section 75(2) of the Pensions Act 1995, Vantiva SA, being ultimate Parent Company (at the time under name of Technicolor SA) provided guarantee and indemnity to trustees of the Thomson Pension Fund, of which Technicolor Media Services is a participant.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Constantin, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approval of reduced disclosures

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Directors' assessment of the impact of Brexit on the business

The directors anticipate that there will be no impact of Brexit on the business, as ongoing activity only relates to the settlement of brought forward receivables and liabilities.

Directors' assessment of the impact of the war between Russia and Ukraine

The directors are monitoring the impact of the war in Ukraine upon the company's activities and anticipate there to be no direct impact on the business.

This report was approved by the board and signed on its behalf.



T R Spence
Director

Date: 2/11/23

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director 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 for the company's financial statements 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;
- 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECHNICOLOR MEDIA SERVICES (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the audit of the financial statements

In our opinion the financial statements of Technicolor Media Services (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of other comprehensive income
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We 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 Financial Reporting Council's (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.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECHNICOLOR MEDIA SERVICES (UK) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Emphasis of matters

We draw your attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than going concern.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 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 respect of these matters.

Responsibilities of directors

As explained more fully in the director's 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.

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

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECHNICOLOR MEDIA SERVICES (UK) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act; pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, pensions, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECHNICOLOR MEDIA SERVICES (UK) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Report on other legal and regulatory requirements

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
the financial statements are not in agreement with the accounting records and returns; or
certain disclosures of directors' remuneration specified by law are not made; or
we have not received all the information and explanations we require for our audit; or
the directors were not entitled to take advantage of the small companies' exemption in preparing the director's report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



Thierry de Gennes, ACA (Senior Statutory Auditor)

for and on behalf of
Constantin

Chartered Accountants and Statutory Auditor

25 Hosier Lane
London
United Kingdom
EC1A 9LQ

Date: 2 November 2023

TECHNICOLOR MEDIA SERVICES (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Administrative expenses		(9)	(12)
Operating loss		(9)	(12)
Finance costs (net)	4	(147)	(120)
Loss before taxation		(156)	(132)
Tax on loss	6	-	-
Loss for the financial year		(156)	(132)

The notes on pages 13 to 24 form part of these financial statements.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Loss for the financial year		(156)	(132)
Other comprehensive income			
Actuarial (loss)/gain on defined benefit schemes	8	(4)	224
Deferred tax on actuarial loss/(gain) on defined benefit schemes	10	4	(56)
Impairment of deferred tax arising on actuarial (loss)/gain on defined benefit schemes	10	(4)	56
Other comprehensive (loss)/income for the year		(4)	224
Total comprehensive (loss)/gain for the year		(160)	92

The notes on pages 13 to 24 form part of these financial statements.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Creditors: amounts falling due within one year	7	(1,531)	(1,387)
Net current liabilities		(1,531)	(1,387)
Total assets less current liabilities		(1,531)	(1,387)
Pension liability	8	(220)	(204)
Net liabilities		(1,751)	(1,591)
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		(1,751)	(1,591)
Shareholder's deficit		(1,751)	(1,591)

The financial statements of Technicolor Media Services (UK) Limited were approved and authorised for issue by the board and were signed on its behalf by:


T R Spence
 Director

Date: 2/11/23

The notes on pages 13 to 24 form part of these financial statements.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £000	Profit and loss account £000	Shareholders' deficit £000
At 1 January 2021	-	(1,683)	(1,683)
Comprehensive gain/(loss) for the year			
Loss for the financial year	-	(132)	(132)
Actuarial gain on defined benefit schemes (see note 8)	-	224	224
Deferred tax on actuarial gain on pension scheme (see note 10)	-	(56)	(56)
Impairment of deferred tax arising on actuarial gain on defined benefit schemes (see note 10)	-	56	56
Other comprehensive gain for the year	-	224	224
Total comprehensive gain for the year	-	92	92
At 1 January 2022	-	(1,591)	(1,591)
Comprehensive gain/(loss) for the year			
Loss for the financial year	-	(156)	(156)
Actuarial loss on defined benefit schemes (see note 8)	-	(4)	(4)
Deferred tax on actuarial loss on pension scheme (see note 10)	-	4	-
Impairment of deferred tax arising on actuarial loss on defined benefit schemes (see note 10)	-	(4)	-
Other comprehensive loss for the year	-	(4)	(4)
Total comprehensive loss for the year	-	(160)	(160)
At 31 December 2022	-	(1,751)	(1,751)

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

Technicolor Media Services (UK) Limited's principal activity during the year was the settlement of brought forward receivables and payables following the closure of the business in 2015.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company is incorporated in England. The address of its registered office is 16 Great Queen Street, Covent Garden, London, United Kingdom, WC2B 5AH.

The financial statements are presented in Sterling (£). Monetary amounts in these financial statements have been rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. These accounting standards have been consistently applied throughout the current and preceding year.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in note 2.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- exemption from the requirement to present a statement of cash flows; and
- exemption from the requirement to disclose key management personnel compensation.

The company has also taken advantage of the following disclosure exemption in preparing these financial statements as permitted by FRS 102 on the basis that equivalent information is included in the consolidated financial statements of Vantiva S A as at December 2022 and these financial statements may be obtained from 8-10 rue du Renard, 75004 Paris, France.

- exemption from certain disclosures relating to financial instruments required by Section 11.

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are wholly owned part of the Group.

1.2 Going concern

Since the closing of the business in 2015, Technicolor Media Services has ceased to be an active trading company inside the Vantiva group. As Technicolor Media Services now limits its activities to servicing of the pension liabilities, the directors decided to adopt a basis of accounting other than going concern in preparing the financial statements. Most notably, all remaining assets as of December 2022 have been accounted at the lower of book or recoverable value.

On 31 March 2014, under Section 75(2) of the Pensions Act 1995, Vantiva SA, being ultimate Parent Company (at the time under name of Technicolor SA) provided guarantee and indemnity to trustees of the Thomson Pension Fund, of which Technicolor Media Services is a participant.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.3 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The company and its fellow group undertakings are able to relieve their tax losses by surrendering them to other group companies within the UK where capacity to utilise those losses exists. There was an agreement between members of this tax group that losses surrendered in relation to periods of account up to 31 December 2016 would be paid for by the recipient company at 100% of the tax value. For tax losses relating to subsequent periods, this policy has ended and losses will not be paid for.

For tax losses relating to periods up to 31 December 2016, where there is reasonable certainty that taxable losses can be relieved, the group relief receivable or payable has been included in the taxation charge or credit for the period and the corresponding intercompany receivable or payable is recognised in the statement of financial position/balance sheet.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

All foreign exchange gain and losses are presented in the profit and loss account within administrative expenses.

1.5 Finance costs (net)

Finance costs (net) are recognised in the profit and loss account using the effective interest method.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.6 Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.7 Pensions

Defined benefit scheme

The company participates in a Group-wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. A defined benefit plan defines the pension benefit that the employee will receive on retirement usually dependent upon several factors including age, length of service and remuneration.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the year end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ("discount rate").

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial (loss)/gain on defined benefit schemes'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the year; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the profit or loss as interest expense.

Defined contribution scheme

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account as they become payable in accordance with the rules of the scheme. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Critical judgements in applying accounting policies and key sources of estimation uncertainty

Retirement benefits

Accounting for a defined benefit pension scheme and the value of liabilities is dependent on significant assumptions, including an assessment of the discount rate, price inflation and key demographic figures including life expectancy and mortality rates.

These accounting judgements are inherently complex and require a high level of management judgement and specialist input by an actuary in the calculation of the value of the liabilities.

3. Operating loss

Audit fees for the year of £Nil (2021: £Nil) have been incurred by the company and charged to restructuring costs.

4. Finance costs (net)

	2022 £000	2021 £000
Interest payable to group undertakings	143	114
Interest on pension commitments	4	6
	<u>147</u>	<u>120</u>

5. Employees

The company has no employees, including the directors, and no remuneration for employment was paid in the year (2021 - £NIL).

During the year, no director received any emoluments (2021: Nil).

Directors' emoluments for the year ended 31 December 2022 have been paid and borne by other group companies as part of group arrangements. It is impracticable to have these costs split and recharged to the company.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on loss for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	28
Impairment of deferred tax	-	(28)
Total deferred tax	-	-
Tax charge for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:

	2022 £000	2021 £000
Loss before taxation	(156)	(132)
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(30)	(25)
Effects of:		
Impairment of deferred tax	30	25
Tax charge for the year	-	-

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Taxation (continued)

Factors that may affect future tax charges

The deferred tax asset at 31 December 2022 remains fully impaired (at 31 December 2021: fully impaired) on the basis that profit forecasts for the company indicate that the deferred tax asset, which relates entirely to carried forward losses, will not be realised in the foreseeable future.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000.

A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

7. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	1,531	1,387

All creditors are due within one year (2021: due within one year). Amounts owed to group undertakings bear interest of 1 month LIBOR plus 9.8% (2021: 1 month LIBOR plus 8.30%).

Included above are financial instruments held at amortized cost amounting to £1,531,000 (2021: £1,387,000).

8. Pension commitments

The group sponsors a funded defined benefit pension plan in the UK. The Fund is a multi-employer scheme and the disclosures below are in respect of the whole Fund.

The initial results of the latest funding valuation at 31 March 2021 (which is currently in progress) have been adjusted to the new balance sheet date, taking account of assumed experience over the period since 31 March 2021, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method.

The Fund is governed by a set of Trustees, whose funding objective is to ensure that the Fund is fully funded, using assumptions that contain a modest margin for prudence and assets taken at market value. The level of benefits provided by the Fund depends on a member's length of service and their salary at their date of leaving the Fund.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Pension commitments (continued)

The principal assumptions used by the actuary were:

	2022 %	2021 %
Discount rate applied to scheme liabilities	4.7	2.00
Rate of increase in salaries	N/A	N/A
Price inflation - RPI	3.35	3.35
Price inflation - CPI	2.55	2.60
Pension increases:		
- Pension accrued before 6 April 1997	3.05	3.20
- Pension accrued after 6 April 1997	3.05	3.20

The mortality assumptions are based on the actuarial table 93% S2PXA 2020_S7.0_AO.50_X (1.5%) YOB (2021: 93% S2PXA 2017_S8.0_X (1.5%) YOB).

The assumed life expectancy of retirement at age 65 is:

	2022 £000	2021 £000
Retiring today		
- Males	87.9	88.0
- Females	90.0	90.0
Retiring in 20 years		
- Males	89.6	89.7
- Females	91.7	91.8

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are:

Assumptions	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/(decrease) by 1% p.a.	(Decrease)/increase by 15% to 20%
Rate of inflation	Increase/(decrease) by 0.25% p.a.	Increase/(decrease) by 3% to 3%

Scheme assets at the year end:

	31 December 2022 %	Value at 31 December 2022 £000	31 December 2021 %	Value at 31 December 2021 £000
Equities	23	337	23	445
Bonds	48	701	48	929
Insurance	25	365	25	484
Cash and others	4	58	4	77
Total	100	1,461	100	1,935

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Pension commitments (continued)

Amounts to be recognised in the balance sheet:

	2022 £000	2021 £000
Total market value of assets	1,461	1,935
Present value of scheme liabilities	(1,681)	(2,139)
Deficit in scheme	(220)	(204)
Related deferred tax asset after impairment (see note 11)	-	-
Net liability	(220)	(204)

Analysis of the defined benefit obligation

	2022 £000	2021 £000
Present value of unfunded defined benefit obligation	-	-
Present value of funded defined benefit obligation	(1,681)	(2,139)
	(1,681)	(2,139)

Reconciliation of present value of scheme liabilities

	2022 £000	2021 £000
At 1 January	2,139	2,020
Service cost (Employer cost)	9	7
Past service cost	-	-
Actuarial loss on scheme liabilities	(501)	89
Benefits paid	(9)	(7)
Interest cost	43	30
At 31 December	1,681	2,139

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Pension commitments (continued)

Reconciliation of fair value of scheme assets

	2022 £000	2021 £000
At 1 January	1,935	1,606
Actual returns on scheme assets	40	23
Actuarial (loss)/gain on scheme assets	(505)	313
Benefits paid	(9)	(7)
At 31 December	1,461	1,935

Amounts to be recognised in the profit and loss account

	2022 £000	2021 £000
Past service cost	-	-
Net interest cost	4	6
Administration expenses	9	7
Total	13	13

The total amount recognised in other recognised income in respect of actuarial gain or loss is £nil (2021: gain of £224,000).

9. Called up share capital

	2022 £	2021 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

All shares rank pari-passu in all respects.

TECHNICOLOR MEDIA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Deferred taxation

	2022 £000	2021 £000
At 1 January	-	-
Charged to the profit and loss account	-	-
Charged to equity	(4)	56
Impairment/(reversal) in year	4	(56)
At 31 December	-	-

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Actuarial losses in defined benefit schemes	55	51
Other timing differences	-	-
Impairment of deferred tax asset	(55)	(51)
	-	-

11. Guarantees

The company is part of an Unlimited Multilateral Guarantee given by Technicolor Holdings Ltd, the ultimate parent company in the UK, to the Group's bank, Barclays Bank Plc, to cover Group banking arrangements. In addition Technicolor Holdings Ltd and its subsidiaries ("the UK group") are party to a cross guarantee regarding intercompany borrowings held by the UK Group with other members of the Technicolor Group. The total value of net borrowings payable by the UK group as at 31 December 2022 amounts to £22,525,000 (2021: £15,942,000).

12. Immediate and ultimate parent undertaking

The company's immediate parent undertaking is Technicolor Limited, a company registered in England. The company's ultimate parent undertaking and ultimate controlling party is Vantiva S A, a company registered in France.

The company's results are consolidated within the Vantiva S A group financial statements, which can be obtained from the Registered Office at 8-10 Rue du Renard, 75004 Paris, France. The company is not consolidated within any other group.