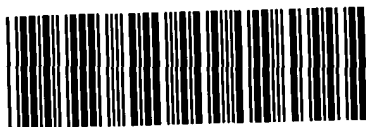


Company No: 04392195

**LOVEFiLM International Limited**  
**Report and Financial Statements**

**31 December 2022**

FRIDAY



\*AC4U9DKX\*

A07

02/06/2023

#41

COMPANIES HOUSE

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>Company Information</b>	<b>2</b>
<b>Directors' Report</b>	<b>3</b>
<b>Statement of Directors' Responsibilities</b>	<b>5</b>
<b>Independent Auditor's Report</b>	<b>6</b>
<b>Statement of Comprehensive Income</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12</b>

## **COMPANY INFORMATION**

### **DIRECTORS**

Benjamin Burch  
Kaspar Nazeri

### **SECRETARY**

Mitre Secretaries Limited

### **REGISTERED OFFICE**

1 Principal Place  
Worship Street  
London  
England  
EC2A 2FA

### **AUDITOR**

Ernst & Young LLP  
1 More London Place  
London  
England  
SE1 2AF

---

## **DIRECTORS' REPORT**

**for the year ended 31 December 2022**

The directors of LOVEFiLM International Limited ("the Company") present the annual report containing their Directors' Report and the financial statements for the year ended 31 December 2022. In accordance with section 414B of the Companies Act 2006, the directors have taken advantage of the small companies exemption from preparing a Strategic Report.

### **DIRECTORS**

The directors who served the Company during the year and to the date of this report were as follows:

Benjamin Burch  
Kaspar Nazeri

No directors held any interest in the share capital of the Company during the year.

### **DIVIDEND**

The directors do not recommend the payment of any dividends (2021: £nil).

### **QUALIFYING THIRD PARTY INDEMNITY PROVISION**

Qualifying third party indemnity provisions are in place to indemnify all directors and officers of the Company.

### **PRINCIPAL ACTIVITY**

The principal activity of the Company is that of a holding company. The business is expected to continue in this capacity for the foreseeable future.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company is dependent on the continued success of the Amazon group companies. The principal risks and uncertainties they face include, among others, risks related to competition, management of growth, new products, services and technologies, potential fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, fulfillment centre optimisation, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, system interruption, government regulation and taxation, and fraud. More information about the principal risks and uncertainties facing the group are included in Amazon.com, Inc.'s filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended 31 December 2022, and subsequent filings.

### **FUTURE DEVELOPMENTS**

The directors aim to maintain the management policies and processes that support the principal activity of the Company. The Company is continually reviewing and refining these policies to improve the framework of financial control and manage costs effectively.

### **DISCLOSURE OF INFORMATION TO THE AUDITOR**

The directors who held office at the date of approval of this annual report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that ought to have been taken as director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

---

**DIRECTORS' REPORT (continued)**  
for the year ended 31 December 2022

**AUDITOR**

In accordance with section 487(2) of the Companies Act 2006, Ernst & Young LLP will continue in office as auditor of the Company.

On behalf of the Board

DocuSigned by:

*Kaspar Nazeri*

374A98EBD0DE438...

Kaspar Nazeri

Director

Date: 6 February 2023

---

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 those financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the financial statements, state whether FRS 102 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOVEFILM INTERNATIONAL LIMITED**

### **Opinion**

We have audited the financial statements of LOVEFILM International Limited for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 10, 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 102 "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 company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

### **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 the period until 29 February 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and the Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities statement set out on page 5, 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.



***Explanation as to what extent 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is explained below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

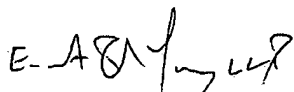
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax legislation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management. We determined whether there were deficiencies within the Company's control environment, including entity level controls such as those relating to ethical behaviour and fraud prevention and deterrence, through observations during our audit procedures and discussions with the auditor of the Company's ultimate parent, Amazon.com, Inc. We read correspondence with relevant authorities.
- We read board minutes to identify non-compliance with laws and regulations, and we read significant contracts and agreements impacting the Company in the financial year.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.

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

**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.



Zishan Nurmohamed (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
Date: 15/02/2023

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	<i>Notes</i>	2022 £'000	2021 £'000
Administrative expenses		(1)	(2)
<b>OPERATING LOSS</b>	2	(1)	(2)
Interest receivable	4	27	1
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		26	(1)
Tax on profit / (loss)	5	—	—
<b>PROFIT / (LOSS) AND TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<u>26</u>	<u>(1)</u>

## BALANCE SHEET

as at 31 December 2022

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Investments in subsidiaries	6	1,807	1,807
<b>CURRENT ASSETS</b>			
DEBTORS: amounts falling due within one year	7(a)	1,983	1,957
CREDITORS: amounts falling due within one year	8	(1)	(1)
<b>NET CURRENT ASSETS</b>		1,982	1,956
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,789	3,763
<b>NET ASSETS</b>		3,789	3,763
<b>CAPITAL AND RESERVES</b>			
Share capital	9	—	—
Share premium		3,800	3,800
Retained earnings		(11)	(37)
<b>SHAREHOLDER'S FUNDS</b>		3,789	3,763

Approved by the Board

DocuSigned by:  
Kaspar Nazeri  
374A98EBD0DE438...

Kaspar Nazeri  
Director

Date: 6 February 2023

Company Number: 04392195

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	<i>Share capital</i> £'000	<i>Share premium</i> £'000	<i>Retained earnings</i> £'000	<i>Total share- holder's funds</i> £'000
At 1 January 2021	—	3,800	(36)	3,764
Loss for the year	—	—	(1)	(1)
At 31 December 2021	—	3,800	(37)	3,763
Profit for the year	—	—	26	26
At 31 December 2022	—	3,800	(11)	3,789

---

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2022

#### 1. ACCOUNTING POLICIES

##### *Statement of compliance*

LOVEFiLM International Limited ("the Company") is a limited company incorporated and domiciled in England and Wales. The registered office of the Company is 1 Principal Place, Worship Street, London, England, EC2A 2FA.

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"), and with the Companies Act 2006.

##### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The financial statements are presented in pounds sterling, which is the functional currency of the Company, and are rounded to the nearest thousand pounds sterling (£'000).

The Company has taken advantage of the following disclosure exemptions in FRS 102:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d)
- The requirements of Section 33 Related Party Disclosures paragraph 33.1A and 33.7
- The requirements of Section 11 Basic Financial Instruments paragraph 11.39 to 11.48A

The exemptions stated above are available to the Company as it is a member of a group where the parent of that group prepares publicly available consolidated financial statements.

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information. The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the ultimate parent company, Amazon.com, Inc., a company incorporated in the United States of America, produces publicly available consolidated financial statements including the results of the Company.

##### *Going concern*

As at 31 December 2022, the Company's current assets exceeded its current liabilities and are expected to continue to do so. As referenced in the Directors' Report on page 3, the Company is dependent on, and contributes to, the continued success of the Amazon.com, Inc. group. The directors have concluded that the Amazon.com, Inc. group, based on its reported results, has sufficient financial resources to support the Company either by providing financial and operational services to support its activities, or by continuing its investment in the Company's operations, but only to the extent that the Company is not otherwise able. This is provided through operational service contracts with group undertakings as well as financial support provided in the form of, for example, cash pooling arrangements, loans from group undertakings and equity contributions. The directors have a reasonable expectation that the Company has adequate resources to continue as an operational business for the foreseeable future, being twelve months from the approval of the financial statements (until February 2024). This period is deemed appropriate due to the nature of the principal activities of the business and Amazon.com, Inc's ongoing commitment and proven ability to support the Company's operations. The financial statements have therefore been prepared on a going concern basis.

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

##### *Investments in subsidiaries*

Investments in subsidiaries are recorded at cost less accumulated impairment losses. Investments in subsidiaries are reviewed annually for impairment indicators.

##### *Interest receivable*

Interest receivable is recognised using the effective interest rate method.

##### *Debtors*

Short and long term debtors are measured at transaction price, less any impairment.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### for the year ended 31 December 2022

#### 1. ACCOUNTING POLICIES (continued)

##### *Creditors*

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

##### *Taxation*

Taxation expense comprises current and deferred tax. Current and deferred taxation assets and liabilities are not discounted.

##### *Current tax*

Current tax is the amount of income tax payable with respect to 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 end of the year.

##### *Deferred tax*

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 financial statements. Deferred tax is recognised on all timing differences at the reporting date with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted at the reporting date and that are expected to apply to the reversal of the timing difference.

##### *Significant management judgement*

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expense. The directors have concluded that the judgements made during the year are not significant and that any estimation uncertainty does not give rise to a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 2. OPERATING LOSS

Auditor's remuneration has been borne by an affiliate company for the years ended 31 December 2022 and 31 December 2021.

#### 3. DIRECTORS AND EMPLOYEES

Certain directors' remuneration were borne by fellow group undertakings who paid the directors remuneration including pension contributions of £337,352 (2021: £295,879) in respect of the services to the group for which the Company is a member. It is not practicable to identify the proportion of these remunerations that relate to services to this Company.

The Company employed no staff during 2022 and 2021.

#### 4. INTEREST RECEIVABLE

	2022	2021
	£'000	£'000
Interest receivable from group undertakings	27	1
	<u>27</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2022**

**5. TAXATION**

*(a) Tax on profit / (loss)*

The components of tax on profit / (loss) are as follows:

	2022 £'000	2021 £'000
Current tax	—	—
Deferred tax	—	—
Tax on profit / (loss)	<u>—</u>	<u>—</u>

*(b) Reconciliation of tax on profit / (loss)*

The items accounting for differences between tax on profit / (loss) computed at the UK statutory rate and recorded for tax on profit / (loss) are as follows:

	2022 £'000	2021 £'000
Profit / (loss) before taxation	<u>25</u>	<u>(1)</u>
Tax computed at the UK statutory rate	5	—
Effects of:		
Losses claimed at rates other than the statutory rate	<u>(5)</u>	<u>—</u>
Tax on profit / (loss)	<u>—</u>	<u>—</u>

The UK corporation tax rate for the year ended 31 December 2022 is 19% (2021: 19%). The Finance Act 2021, which received Royal Assent on 10 June 2021, enacted a 6% increase in the corporation tax rate from its current rate of 19% to 25% for the year beginning 1 April 2023. Any deferred tax assets and liabilities are reflected according to the applicable corporation tax rate expected to apply at the time of realisation.

As at 31 December 2022 and 31 December 2021 there were no recognised or unrecognised deferred tax assets or liabilities.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2022**

**6. INVESTMENTS IN SUBSIDIARIES**

<i>Name of Company</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Registered office</i>
Twitch Sweden AB (formerly: Amazon Services Sweden AB)	Sweden	Ordinary shares	100 %	Malmskillnadsgatan 36, Stockholm, 111 57, Sweden
8 Dudes in a Garage AB*	Sweden	Ordinary shares	100 %	Nora Ågatan 2, Gothenburg, 416 49, Sweden
Lovefilm Danmark A/S (dormant)*	Denmark	Ordinary shares	100 %	Holbergsgade 14, 2.tv., Copenhagen, 1057 Copenhagen, Denmark

Cost and net book value

*Unlisted investments*

£'000

As at 31 December 2022 and  
31 December 2021

1,807

\*These companies are held by an intermediate subsidiary. The results of the subsidiaries are included in the consolidated financial statements of Amazon.com, Inc..

**7. DEBTORS**

<i>a) amounts falling due within one year</i>	<i>2022</i>	<i>2021</i>
	<i>£'000</i>	<i>£'000</i>
Amounts owed by group undertakings	<u>1,983</u>	<u>1,957</u>
	<u>1,983</u>	<u>1,957</u>

**8. CREDITORS**

<i>amounts falling due within one year</i>	<i>2022</i>	<i>2021</i>
	<i>£'000</i>	<i>£'000</i>
Amounts owed to group undertakings	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>



---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2022**

**9. SHARE CAPITAL**

	2022		2021	
	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Allotted, called up and fully paid				
Ordinary shares of £0.001 each	991	1	991	1

**10. ULTIMATE PARENT COMPANY**

The immediate parent company is Amazon EU S.à.r.l., a company which is incorporated in Luxembourg. The address of this company is 38 Avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg.

The Company regards Amazon.com, Inc., a company which is incorporated in the United States of America, as its ultimate holding company and controlling party. The largest and the smallest group in which the results of the Company are consolidated is headed by Amazon.com, Inc.. Copies of the group consolidated financial statements of Amazon.com, Inc. are available at 410 Terry Avenue North, Seattle, WA 98109-5210, USA.