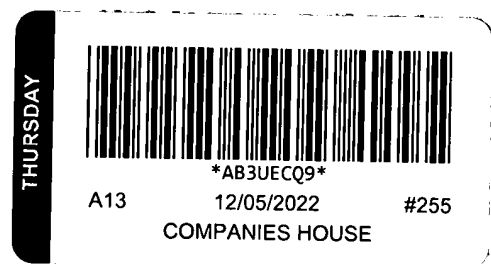


Anthem Entertainment UK Services Limited

Annual Report and Financial Statements

31 December 2020

Company Number 09842703



*Anthem Entertainment UK Services Limited
Annual report and financial statements
31 December 2020*

Anthem Entertainment UK Services Limited

**Annual Report and financial statements
for the year ended 31 December 2020**

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Directors

H Murphy
M Katz
B Grzinic (Appointed 25 January 2021)
D Simonelli (Resigned 25 January 2021)

Registered office

Pinnacle, 170 Midsummer Blvd.
Milton Keynes
MK9 1FE

Company number

09842703

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Anthem Entertainment UK Services Limited
Directors' report
for the year ended 31 December 2020

The directors present their annual report together with the audited financial statements for the Company for the year ended 31 December 2020.

Results

The profit and loss account is set out on page 7 and shows the profit for the year.

Principal activities, trading review and future developments

The Company is a wholly owned subsidiary of Anthem Entertainment L.P.

The Company is an authorized representative of Anthem Entertainment L.P. to market and promote all of the production musical compositions within the Cavendish Music library that are composed, owned and/or controlled by Anthem Entertainment L.P.

Charitable and political contributions

During the year the Company made no charitable contributions or political contributions (2019: \$Nil).

Proposed Dividends

No dividends have been proposed by the directors (2019: \$Nil).

Financial instruments, risk management, principal risks and uncertainties

The principal risk of the Company is the financial health and sustainability of the parent company, as its sole provider of financial resources.

Going concern

The Company has net current assets of \$146,883 (2019: \$97,483) as at 31 December 2020, a profit for the year then ended of \$37,054 (2019: \$23,577) and the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

- The Company's sole trade is from providing management services to its ultimate parent company, Anthem Entertainment L.P. The Company does not hold its own bank accounts and all transactions are settled by the parent company. Therefore, the Company is entirely reliant on its parent company and would not be able to continue in existence without its parent.
- The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, including the potential impacts of the COVID19 pandemic, the Company will have sufficient funds, through funding from its ultimate parent company, Anthem Entertainment L.P., to meet its liabilities as they fall due for that period.
- Anthem Entertainment L.P. has indicated its intention to continue to make available such financial support and to continue to honour the existing management services agreement for the period covered by the forecasts. As with any Company placing reliance on other group entities for support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Anthem Entertainment UK Services Limited
Directors' report
for the year ended 31 December 2020 (continued)

Going concern (continued)

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Directors

The directors of the Company during the year were:

H Murphy
M Katz
Bernard Grzinic

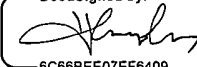
Disclosure of information to auditor

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board

DocuSigned by:

6C66BEE07EF6409...
H Murphy

CEO

27 April 2022

Anthem Entertainment UK Services
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1FE

Anthem Entertainment UK Services Limited
Statement of directors' responsibilities in respect of the annual report and financial statements
for the year ended 31 December 2020

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTHEM ENTERTAINMENT UK SERVICES LIMITED

Opinion

We have audited the financial statements of Anthem Entertainment UK Services Limited ("the Company") for the year ended 31 December 2020, which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related 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 going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit and remained alert to any indications of fraud throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTHEM ENTERTAINMENT UK SERVICES LIMITED (continued)

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that company management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue relates mainly management fees from the Company's parent entity and is based costs incurred during the year plus an agreed mark-up as per the services agreement with the parent entity.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual journals posted cash accounts and postings to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, and certain aspects of company legislation, recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANTHEM ENTERTAINMENT UK SERVICES LIMITED
(continued)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



George Awusu (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

27 April 2022

Anthem Entertainment UK Services Limited
Profit and loss account and other comprehensive income
for the year ended 31 December 2020

	Note	2020 \$	2019 \$
Management fee	2	1,048,650	1,426,691
Administrative expenses	4	(1,003,594)	(1,355,526)
Profit on ordinary activities before taxation		45,056	71,165
Income tax expense	5	(12,716)	(47,588)
Profit for the year		32,340	23,577

All amounts relate to continuing activities.
There is no other comprehensive income for the period.
The notes on pages 9 to 17 form part of these financial statements.

Anthem Entertainment UK Services Limited


Balance sheet at 31 December 2020

	Note	2020 \$	2020 \$	2019 \$	2019 \$
Fixed assets					
Tangible assets	6		27,730		39,383
Intangible assets	7		11,321		16,728
			<u>39,051</u>		<u>56,111</u>
Current assets					
Debtors	8	238,557		176,776	
		<u>238,557</u>		<u>176,776</u>	
Creditors: amounts falling due within one year	9	(91,674)		(79,293)	
		<u></u>		<u></u>	
Net current assets			<u>146,883</u>		<u>97,483</u>
Total assets less current liabilities			<u>185,934</u>		<u>153,594</u>
Net assets			<u>185,934</u>		<u>153,594</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		185,933		153,593
			<u>185,934</u>		<u>153,594</u>
Shareholders' funds			<u>185,934</u>		<u>153,594</u>

The notes on pages 9 to 17 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2022.

DocuSigned by:

 6C66BEE07EF6409...
 H Murphy 4/27/2022

CEO

Company number 09842703

Anthem Entertainment UK Services Limited

Notes forming part of the financial statements for the year ending 31 December 2020

1 Accounting policies

Anthem Entertainment UK Services Limited (the "Company") is a company limited by shares and incorporated and domiciled in England in the United Kingdom. The registered number is 09842703 and the registered address is Pinnacle, 170 Midsummer Blvd., Milton Keynes, MK9 1FE.

These financial statements were prepared in accordance with the Companies Act 2006 and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities) (FRS 102). The presentation currency of these financial statements is US Dollars.

The financial statements have been prepared under the historical cost convention.

The Company's parent undertaking, Anthem Entertainment L.P. includes the Company in its consolidated financial statements. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

As the consolidated financial statements of Anthem Entertainment L.P. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Going concern

The Company has net current assets of \$146,884 (2019: \$97,483) as at 31 December 2020, a profit for the year then ended of \$37,054 (2019: \$23,577) and the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

- The Company's sole trade is from providing management services to its ultimate parent company, Anthem Entertainment L.P. The Company does not hold its own bank accounts and all transactions are settled by the parent company. Therefore, the Company is entirely reliant on its parent company and would not be able to continue in existence without its parent.
- The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, including the potential impacts of the COVID19 pandemic, the Company will have sufficient funds, through funding from its ultimate parent company, Anthem Entertainment L.P., to meet its liabilities as they fall due for that period.
- Anthem Entertainment L.P. has indicated its intention to continue to make available such financial support and to continue to honour the existing management services agreement for the period covered by the forecasts. As with any Company placing reliance on other group entities for support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Anthem Entertainment UK Services Limited
Notes forming part of the financial statements
for the year ended 31 December 2020 (*continued*)

1.1 Going concern (*continued*)

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

1.2 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Any differences are taken to the profit and loss account.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.4 Tangible assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments.

Anthem Entertainment UK Services Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Leasehold improvements	- 33.3% straight line basis
Fixtures, fittings and equipment	- 12.5% straight line basis
Computers	- 40% straight line basis
Electronics	- 20% straight line basis

Depreciation methods and useful lives are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.5 Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer software	- 5 years
-------------------	-----------

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

1.6 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.7 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's

Anthem Entertainment UK Services Limited
Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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

Anthem Entertainment UK Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

2 Management fee

The management fee of \$1,048,650 (2019: \$1,426,691) represents the fee charged by Anthem Entertainment UK Services Limited to its parent company and is based on costs incurred during the period plus an agreed mark-up as per the services agreement. Turnover is wholly from operations in the United Kingdom.

3 Employees

	2020	2019
Staff costs consist of:	\$	\$
Wages and salaries	570,911	415,906
Social security costs	63,744	52,376
Pension contributions	18,283	81,563
	652,938	549,846
The average number of employees (including directors) during the year was as follows:	Number	Number
Operations	10	10
Senior Management	1	1
	11	11

Directors' remuneration

There are no directors' remuneration to date paid by the Company. The directors are remunerated for their services to the group as a whole. The directors provided no substantial services during the year and hence this amount is not disclosed.

4 Expenses and auditor's remuneration

	2020	2019
Included in profit are the following:	\$	\$
Amortization of intangible assets	5,407	5,377
Depreciation of tangible assets	11,653	102,068
Exchange differences	894	-
Audit of these financial statements	26,826	26,752

Amounts receivable by the company's auditor and its associates in respect of:

Tax compliance services	11,100
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Anthem Entertainment UK Services Limited
Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

5 Taxation

Total tax expense recognised in the profit and loss account

	2020	2019
	\$	\$
<i>Current tax</i>		
Current tax on income for the year	12,716	47,588
	<hr/>	<hr/>
Total tax	12,716	47,588
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2020	2019
	\$	\$
Profit before tax	49,770	71,165
Tax using the UK corporation tax rate of 19.00% (2019:19.00%)	9,456	13,521
Non-deductible expenses	3,260	34,067
	<hr/>	<hr/>
Total tax included in profit or loss	12,716	47,588
	<hr/>	<hr/>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was a substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly.

Anthem Entertainment UK Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

6 Tangible assets

	Computers \$	Electronics \$	Furniture & Fixtures \$	Leasehold improvements \$	Total \$
<i>Cost</i>					
At 1 Jan 2020	42,887	32,295	29,735	584,205	689,122
Additions	-	-	-	-	-
At 31 December 2020	42,887	32,295	29,735	584,205	689,122
<i>Depreciation</i>					
At 1 Jan 2020	40,130	18,830	12,479	578,300	649,739
Charge for the year	1,478	6,459	3,716	-	11,653
At 31 December 2020	41,608	25,289	16,195	578,300	661,392
<i>Net book value</i>					
At 31 December 2020	1,279	7,006	13,540	5,905	27,730
At 31 December 2019	2,757	13,465	17,256	5,905	39,383

7 Intangible assets

	Software \$
<i>Cost</i>	
At 1 Jan 2020	27,029
Additions	-
At 31 December 2020	27,029
<i>Depreciation</i>	
At 1 Jan 2020	10,301
Charge for the year	5,407
At 31 December 2020	15,708
<i>Net book value</i>	
At 31 December 2020	11,321
<i>Net book value</i>	
At 31 December 2019	16,728

Anthem Entertainment UK Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

8 Debtors

	2020 \$	2019 \$
VAT taxes receivable	3,264	3,826
Prepayments	92,094	108,580
Amount due from parent	143,199	64,370
	<u>238,557</u>	<u>176,776</u>

Amount due from parent

These services are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due from parent are non-interest bearing, are unsecured and repayable on demand.

9 Creditors: amounts falling due within one year

	2020 \$	2019 \$
Current tax liabilities	12,716	47,588
Trade creditors and accruals	78,958	31,705
	<u>91,674</u>	<u>79,293</u>

10 Share capital

	Allotted, called up and fully paid			
	2020 Number	2020 \$	2019 Number	2019 \$
1 Ordinary shares of \$1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Anthem Entertainment UK Services Limited

Notes forming part of the financial statements
 for the year ended 31 December 2020 *(continued)*

11 Reserves

	Profit and loss account \$
At 1 January 2020	153,593
Profit for the year	32,340
	<hr/>
At 31 December 2020	185,933
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12 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2020 \$	2019 \$
Less than one year	142,155	140,554
Between one and five years	610,082	702,772
More than five years	-	40,995
	<hr/>	<hr/>
	752,237	884,321
	<hr/>	<hr/>

During the period \$163,698 (2019: \$161,609) is recognised as an expense in the profit and loss account in respect of operating leases.

13 Ultimate parent company

The ultimate parent is Anthem Entertainment L.P. The largest group in which the results of the Company are consolidated is that headed by Anthem Entertainment L.P., 120 Bremner Blvd., suite 2900, Toronto, Ontario, Canada, M5J 0A8. No other group financial statements include the results of the Company. The consolidated financial statements of the group are not available to the public and may be obtained from 120 Bremner Blvd., suite 2900, Toronto, Ontario, Canada, M5J 0A8.