Company Registration No. 12110931 (England and Wales)

CP Film Productions Limited

Annual report and financial statements for the year ended 31 March 2023

Company information

Directors	Darren Hopgood Jacqueline Marshall
Secretary	Darren Hopgood
Company number	12110931
Registered office	12th Floor Brunel Building 2 Canalside Walk London W2 1DG
Independent auditor	Saffery LLP 71 Queen Victoria Street London United Kingdom EC4V 4BE

CP Film Productions Limited

Contents

The directors present the strategic report for the year ended 31 March 2023.

Review of the business

During the year the company was involved in the production of several films . The company incurred a loss before tax of £1,803,631 (2022: £6,622,543) and at the year end had net assets of £10,110,977 (2022: £9,461,193).

Principal risks and uncertainties

The directors have reviewed the risks and resultant uncertainties facing the business as being the ability to secure future contracts. However the financing parent company has provided sufficient assurances that it will continue to support the company and provide the necessary finances for its future operations.

Development and performance

The directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

Key performance indicators

The directors consider the company's key financial performance indicator to be whether the films are completed in line with the production budget. At the year end, the estimated final cost of the films being produced are in line with the budgeted cost.

The directors consider the company's key non-financial performance indicator to be whether the company creates and delivers the feature films it has contracted to produce for general release in national and international cinema and the film is certified as British. As of the date of signature, the company has received Final British Film Certificates for the films being produced by the company.

Section 172 Statement

We have considered the Companies (Miscellaneous Reporting) Regulations 2018 and recognise that CP Film Production Limited ("the Company") is required to include a statement within its strategic report describing how the board of directors ("the Board") have had regard to the matters set out on s.172(1)(a) to (f) when performing their duty under s.172.

The Board considers how the consequences of any decisions in the long term will impact the Company's key stakeholders, being its employees, other Sony Pictures Entertainment group companies (the "SPE Group"), shareholders, the community and environment and vendors.

SPE Group's business operates at a broad scale and in multiple jurisdictions, therefore strategic direction and decision-making are taken with a view as to how they will impact the SPE Group as a whole.

SPE group employees are regularly engaged throughout the year on principal decisions affecting their employment and workplace and have appropriate opportunities to provide feedback on the impact of these decisions. This engagement occurs regularly via e-mail, surveys and various employee sessions.

The Company also strives to create an inclusive workplace where everyone feels valued for who they are and can be themselves at work. We work across business units and the world to promote and expand a diverse workforce and inclusive environment.

The Company builds and develops its relationships with key stakeholders by maintaining communication and good business practice based on the Sony Group Code of Conduct ("the Code"), available here: https://www.sony.net/SonyInfo/csr_report/compliance/code.html, and internal policies.

The Company recognises the importance of preserving the environment that sustains all life for future generations and ensuring that all humanity can attain a healthy and enriched life. In order to realise such a sustainable society, the Company strives to achieve a zero-environmental footprint throughout the lifecycle of our products and business activities by following Sony's Road to Zero environmental vision.

The Company's reputation for high standards of business conduct is governed by the Code which establishes a framework of the Company's cultural norms and purpose and values to help guide business decision-making and conduct with respect to employees, vendors and other stakeholders.
The Code provides guidance for the Company's expectations regarding what is (and is not) ethical and legal behaviour. The Code sets forth the basic internal standards to be observed by all directors, officers, employees (permanent or temporary), contractors, consultants and contingent workers of SPE Group ("Personnel"). The Company commits itself to be bound by the Code and at the same time requires all Personnel to know, understand and comply with the code. It ensures a clear priority on maintaining the Company's reputation for high standards of business conduct through a focus on fairness, honesty, integrity, respect and responsibility via honest and ethical business conduct, maintaining stakeholder trust, respect for human rights, conscious recognition of diversity and inclusion, fair labour and employment practices, fair business practices and ethical personal conduct.

The Company is a wholly owned subsidiary within the SPE Group, with Sony Corporation being the ultimate parent undertaking. There is no split ownership structure of the Company. All interactions with other companies within the SPE Group are governed by applicable intercompany arrangements.

On behalf of the board

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Darren Hopgood
Director

Date: 18 December 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities
The principal activity of the company is to operate as a film and television production company.

Results and dividends
The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend (2022: £nil).

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

Darren Hopgood
Jacqueline Marshall

Supplier payment policy
The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:
- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 0 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Business relationships
Our strategy focusses on creating ambitious, imaginative and relevant motion pictures for the global markets. To do this, we need to develop and maintain strong client relations. We value all of our suppliers and contractors and are committed to developing production talent.

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

Energy and carbon report

The Company recognises the importance of preserving the environment that sustains all life for future generations and ensuring that all humanity can attain a healthy and enriched life. In order to realise such a sustainable society, the Company strives to achieve a zero-environmental footprint throughout the lifecycle of products and business activities by 2050 following Sony's Road to Zero environmental vision.

The Company promotes environmental activities using a globally consolidated Environmental Management System (EMS) based on the ISO 14001 standard. The system supports the "Road to Zero" vision and goes beyond legal compliance by proactively addressing environmental impacts by setting science-based goals based on four environmental perspectives:

- Curbing Climate Change: The Company reduces energy consumption and strives to achieve zero emissions of greenhouse gases by using renewable energy in our office spaces and production equipment.
- Conserving Resources: The Company aims to use natural resources efficiently, conserving water, minimizing waste generated from our operations, and maximizing efforts to reduce, reuse and recycle.
- Controlling Chemical Substances: The Company maintains strict control over the chemical substances we use, taking steps to reduce, substitute, and/or eliminate the use of substances that have a potential impact on the environment whenever possible.
- Promoting Biodiversity: The Company protects and utilises ecosystem services in a sustainable manner. The Company also promotes the importance of biodiversity conservation through our business and partnership activities.

The company has specific programs to address areas related to its core business like a sustainable production program including opportunities to raise awareness and inspire environmental action among audiences and employees.

In 2010, together with other major studios, parent company Sony Pictures Entertainment (SPE) developed the Green Production Guide (GPG) an online toolkit designed to reduce physical productions' carbon footprint and share best practices. In 2019 100% of film and North America TV productions have achieved sustainable production status by completing all required GPG reporting documents which include: PEACH – Production Environmental Actions Checklist (best practices checklist) & PEAR – Production Environmental Action report (carbon calculator).

In 2020 the company expanded the program beyond NorAm to EMEA, APAC and LatAm with the goal to achieve sustainable status for a 100% of physical productions by 2025. As we expand the program to our Global operations, we are partnering with existing organizations like the albert consortium in the UK and Green Screen (Interreg) in Europe. In fiscal year, 2022-2023 74% of SPE's global film, including CP Films and TV productions (NorAm & EMEA) have achieved sustainable production status by completing various programs.

By following a sustainable productions program, physical productions commit to reduce their environmental impact on set as well as promoting environmental awareness. With a clear aim to reduce carbon emissions, in 2021 all productions had a new requirement to implement at least one high-impact carbon reduction opportunity like the use of renewable energy, electric generators or renewable diesel.

Energy consumption	**2023 kWh**	**2022 kWh**
Aggregate of energy consumption in the year	-	356,979
- Electricity purchased	-	356,979
- Fuel consumed for transport	-	-
	-	356,979

Emissions of CO2 equivalent	**2023 metric tonnes**	**2022 metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	-	12.06
- Fuel consumed for owned transport	-	-
	-	12.06
Scope 2 - indirect emissions		
- Electricity purchased	-	2.29
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	-	5.72
Total gross emissions	-	20.07
Intensity ratio		
Tonnes CO2e per shoot days		0.3088

Mandatory requirements

We understand the obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We track carbon emissions for physical productions in the UK with the albert carbon calculator and other industry carbon calculators. In feature films, the main causes of emissions are fuel consumption and air travel with utilities in third place. The fuel is used in vehicles to transport people and equipment, and in generators to power equipment.

As the company did not consume more than 40,000 kWh of energy in the FY 22-23 reporting period, it qualifies as a low energy user under the UK's Streamlined Energy and Carbon Reporting (SECR) framework and is not required to report on its emissions, energy consumption or energy efficiency activities. The activities the company has for this reporting period e.g.: taxis, storage, post-production house space hire are not scope 1 or 2. Currently the UK's streamlined energy and carbon reporting only requires "direct emissions" to be included in the simplified carbon footprint. The total carbon footprint for the production in FY 22-23 included post-production and other activities (e.g.: materials storage, travel, etc.) was 0 tonnes (FY21-22: 58 tonnes) CO2e.

Quantification and reporting methodology

The production completed the carbon calculator and the carbon action plan in the albert toolkit. The data provided above comes from albert's carbon calculator which was developed for the production community to understand the carbon footprint of making a film or TV show. The calculator includes emissions emission factors from the Department for Environment, Food and Rural Affairs (DEFRA) for actives located in the UK. The emission factors, benchmarks and activities recorded are subject to an annual audit.

Measures taken to improve energy efficiency
The total carbon footprint for the production including prep, post-production and other activities (e.g.: materials waste disposal, etc.) not included in the table above was 58 tonnes CO2e. Highlights from their programs include:

- The main office space, post-production space and most of the accommodation run on renewable electricity.
- The main shoot location used low energy lighting throughout and in many cases the use of additional lighting was reduced for to create a particular sense.
- The main set was repurposed and for other construction activities the production used reclaimed timer and any new timber was purchased from FSG suppliers.
- The production offset the total carbon emissions using the Creative Offset scheme offered by the albert consortium. Offsetting is the act of purchasing carbon credits to compensate for greenhouse gas emissions released into the atmosphere. Each carbon credit represents one tonne of carbon dioxide equivalent that has been reduced by a verified project.

The Procurement and Sustainability teams are working to engage with sustainable vendors and review products that can reduce the environmental impact of physical productions. The current focus is energy and fuel including renewable energy, renewable fuels, alternative generators, solar tower lights and similar equipment.

Additionally, the company has established preferred vendors for sustainable ground transportation and is looking to create a goal to reduce scope 3 emissions.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Darren Hopgood
Director

Date: 18 December 2023

Directors' responsibilities statement
For the year ended 31 March 2023

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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 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.

Independent auditor's report
To the member of CP Film Productions Limited

Opinion
We have audited the financial statements of CP Film Productions Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101; and
- have been prepared in accordance with the requirements of the Companies Act 2006..

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation, specifically legislation relating to creative industry tax credits.

Audit response to risks identified
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance. We have reviewed management's assessment of how the company, and production, comply with the relevant laws and regulations governing access to the creative industry tax credits.

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

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

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

Use of our report
This report is made solely to the company's member 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 member, those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

John Graydon (Senior Statutory Auditor)
For and on behalf of Saffery LLP

Date: 19 December 2023

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
United Kingdom
EC4V 4BE

CP Film Productions Limited

Statement of comprehensive income
For the year ended 31 March 2023

	Notes	2023 £	2022 £
Revenue	3	74,668,831	53,481,068
Cost of sales		(76,355,509)	(59,990,795)
Gross loss		(1,686,678)	(6,509,727)
Administrative expenses		(116,953)	(112,816)
Loss before taxation	5	(1,803,631)	(6,622,543)
Tax on loss	7	2,453,415	10,729,016
Profit and total comprehensive income for the financial year		649,784	4,106,473

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

CP Film Productions Limited

Statement of financial position
As at 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Current assets					
Deferred tax asset	10	9,631,971		9,146,914	
Trade and other receivables	8	23,733,510		27,846,595	
Cash and cash equivalents		930,707		3,546,269	
		34,296,188		40,539,778	
Current liabilities					
Trade and other payables	9	24,185,211		31,078,585	
Net current assets			10,110,977		9,461,193
Net assets			10,110,977		9,461,193
Equity					
Called up share capital	12		1		1
Retained earnings			10,110,976		9,461,192
Total equity			10,110,977		9,461,193

The financial statements were approved by the board of directors and authorised for issue on 18 December 2023 and are signed on its behalf by:

Darren Hopgood
Director

Company Registration No.12110931

CP Film Productions Limited

Statement of changes in equity
For the year ended 31 March 2023

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 April 2021	1	5,354,719	5,354,720
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	4,106,473	4,106,473
Balance at 31 March 2022	1	9,461,192	9,461,193
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	649,784	649,784
Balance at 31 March 2023	1	10,110,976	10,110,977

1 Accounting policies

Company information
CP Film Productions Limited is a private company limited by shares incorporated in England and Wales. The registered office is 12th Floor, Brunel Building, 2 Canalside Walk, London, W2 1DG. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention
The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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

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

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

- the requirements of IFRS 3 'Business combinations' paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66, B67;
- the requirements of IFRS 7 'Financial Instruments' disclosures;
- the requirements of IFRS 13 'Fair value measurement' disclosures
- the requirements of IFRS 15 'Revenue from contracts with customers' disclosure paragraphs 114 and 115 and B87 to B89 of IFRS 15, presenting the disaggregation of revenue; Paragraphs 113(a) and (b), 118 and 119(a) of IFRS 15, 'Revenue from Contracts with Customers' presenting the qualitative and quantitative information relating to changes in contract assets and contract liabilities; Paragraphs 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers' presenting information about an entity's performance obligations, transaction prices and any significant judgements;
- the requirements of IAS 1 'Presentation of financial statements' in respect of the following disclosures;
  - A statement of cash flows for the period;
  - A third statement of financial position when a retrospective adjustment or reclassification is made;
  - A statement of compliance with IFRS;
  - A reconciliation of property, plant and equipment, intangible assets and investment properties outstanding at the beginning and end of the comparative period;
  - Capital management disclosures
- the requirements IAS 7 'Statement of cash flows'
- the requirements IAS 8 'Accounting policies, changes in accounting estimates and errors'

1 Accounting policies (continued)

- the requirements IAS 24 'Related party disclosures' in respect of the following disclosures;
  - Key management personnel compensation.
  - Amounts incurred for the provision of key management personnel services that are provided by a separate management entity.
  - Related party transactions entered into between two or more members of a group provided that any subsidiary which is a party to a transaction is wholly owned by a member.

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

CP Film Productions Limited is a wholly owned subsidiary of Sony Corporation and the results of CP Film Productions Limited are included in the consolidated financial statements of Sony Corporation.

Further details about the group structure and published consolidated accounts can be found in note 13.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue from the theatrical exhibition of motion pictures is recognised as the customer exhibits the film. Revenues from the licensing of motion picture are recognised when the product is available for use by the licensee. Revenues for motion pictures licensing arrangements involving multiple performance obligations, for example a fee for multiple titles, territories or availability dates, are allocated based on the relative standalone selling price of each performance obligation using the Company's best estimate based on available information such as market conditions and internal pricing guidelines. Each individual motion picture product delivered generally represents a separate performance obligation. Licensing revenue associated with certain renewals or extensions of existing agreements for motion pictures is recognised when the licensee can use and benefit from the content under the renewal or extension. Licensing revenue associated with minimum guarantees for symbolic intellectual property is recognised rateably over the license term.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these.

The company recognises revenue from the following major sources:

- Sale of rights
- Production service fee

1.4 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1 Accounting policies (continued)

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.7 Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

1 Accounting policies (continued)

Financial liabilities at fair value through profit or loss
Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities
Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.8 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently recoverable is based on relievable losses arising in the year as the result of film and High-End Television tax relief legislation. Relievable losses differ from net losses as reported in the profit and loss account because they include an additional deduction relating to qualifying film / television development expenditure and exclude items of income or expense that are taxable or deductible in other years, as well as items that are never taxable or deductible. The company's tax position is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

1 Accounting policies (continued)

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to 'other comprehensive income', in which case the deferred tax is also dealt with in 'other comprehensive income'. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

A termination benefit liability is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered the service entitling them to the contributions.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions where practicable, else at the average rate over the in which the transactions were incurred. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the .

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The directors do not consider there to be any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

Critical judgements
Tax credit estimate
The directors believe the key accounting estimate within the financial statements for the Company is the valuation of the film tax credit available. The estimate is based on the assessment of the value of qualifying expenditure as per HMRC legislation and guidance plus assessment of the qualification of the underlying production as eligible for the tax relief.

3 Revenue

	2023 £	2022 £
Revenue analysed by class of business		
Sale of Rights	74,504,101	53,350,109
Production Service Fee	164,730	130,959
	74,668,831	53,481,068

	2023 £	2022 £
Revenue analysed by geographical market		
United States of America	74,668,831	53,481,068

4 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	68,150	58,350
For other services		
Other services pursuant to legislation	43,040	41,560

5 Operating loss

Operating loss for the year is stated after charging/(crediting):	2023 £	2022 £
Exchange losses	6,628	12,906

6 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was:

	2023 Number	2022 Number
Production	2	36

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	92,635	1,578,645
Social security costs	11,948	198,799
Pension costs	425	7,028
	105,008	1,784,472

7 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	(1,968,358)	(6,753,501)
Deferred tax		
Origination and reversal of temporary differences	(485,057)	(3,975,515)
Total tax (credit)	(2,453,415)	(10,729,016)

7 Taxation (continued)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2023	2022
	£	£
Loss before taxation	(1,803,631)	(6,622,543)
Expected tax credit based on a corporation tax rate of 19.00% (2022: 19.00%)	(342,690)	(1,258,283)
Effect of expenses not deductible in determining taxable profit	-	(1)
Adjustment in respect of prior years	-	37,612
Losses	1,495,954	5,132,661
Transfer pricing adjustments	1,715	2,768
Effects of group relief / other reliefs	(3,491,978)	(12,448,514)
Tax rate changes	(116,416)	(2,195,259)
Taxation credit for the year	(2,453,415)	(10,729,016)

8 Trade and other receivables

	Current		Non-current	
	2023	2022	2023	2022
	£	£	£	£
Corporation tax recoverable	1,968,358	6,753,501	-	-
VAT recoverable	66,474	91,588	-	-
Amount owed by parent undertaking	-	1	-	-
Amounts owed by fellow group undertakings	306,950	14,972,713	-	-
Other receivables	21,391,728	6,028,792	-	-
	23,733,510	27,846,595	-	-
Deferred tax asset	-	-	9,631,971	9,146,914
	23,733,510	27,846,595	9,631,971	9,146,914

Other receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The amount owed by fellow group undertakings of £306,950 (31 March 2022: £14,972,713) is interest free and repayable on demand.

9 Trade and other payables

	2023	2022
	£	£
Amounts owed to fellow group undertakings	22,207,733	21,375,795
Accruals and deferred income	1,811,148	9,525,986
Other payables	166,330	176,804
	24,185,211	31,078,585

The amount owed to fellow group undertakings of £22,207,733 (31 March 2022: £21,375,795) is interest free and repayable on demand.

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Tax losses
	£
Asset at 1 April 2021	(5,171,399)
Deferred tax movements in prior year	
Charge/(credit) to profit or loss	(4,013,127)
Other	37,612
Asset at 1 April 2022	(9,146,914)
Deferred tax movements in current year	
Charge/(credit) to profit or loss	(485,057)
Asset at 31 March 2023	(9,631,971)

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

11 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	425	7,028

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

12 Share capital

Ordinary share capital	2023 Number	2022 Number	2023 £	2022 £
Issued and fully paid				
Ordinary of £1 each	1	1	1	1

13 Controlling party

The company is a wholly owned subsidiary of its immediate parent undertaking, JC Entertainment Inc., a company incorporated in the United States of America.

The Ultimate holding company and controlling party is Sony Corporation, a company incorporated in Japan. Sony Corporation is the smallest and largest group for which group financial statements are drawn up. Copies of the group financial statements can be obtained from Baker & McKenzie, 100 New Bridge Street, London, EC4V 6JA.