Registration number: 00242372

Columbia Pictures Corporation Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Columbia Pictures Corporation Limited

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Columbia Pictures Corporation Limited

Company Information

Directors	D N Hopgood
	W F Garvie
	I M George
	J L Marshall
	A R O'Shea
	J Rossiter (resigned 22 November 2021)
	M Young
Company secretary	D N Hopgood
Registered office	12th Floor, Brunel Building 2 Canalside Walk London W2 1DG
Independent Auditors	PricewaterhouseCoopers LLP 40 Clarendon Road Watford Hertfordshire WD17 1JJ

Columbia Pictures Corporation Limited

Strategic Report for the Year Ended 31 March 2021

The directors present their report for the year ended 31 March 2021.

Fair review of the business
The Company is engaged in the distribution of films and television programmes to cinemas, broadcasters, retailers and online streaming platforms. The Company has net assets of £331.2 million (2020: £383.3 million) at year end.

Revenue decreased to £340.4 million in the year (2020: £538.2 million) due to the impact of COVID19 and the closures of cinemas across the UK. Television distribution revenue declined year on year as the reduction of theatrical releases limited available new catalogue items, however this was partially offset by strong demand for older catalogue items. This will have a continued impact in the short term but a strong release slate for the next fiscal year should see both theatrical and television distribution revenues strengthen significantly.

At the end of November 2020, management decided to sell the Company's UK TV Network activity. This decision was taken in line with the SPE Group strategy to move out of this area of business. Consequently, all assets and liabilities associated with this activity were classified as held for sale.

On 15 June 2020 the Company purchased 19% of additional capital in Stellify Media (NI) Ltd, a company incorporated in the United Kingdom, for a consideration of £1.5 million.

Financial key performance indicators
The gross box office revenue of films released by the company in the UK drives results in the Theatrical division and provides a measure of how successful these titles will be in Television Distribution.

Principal risks and uncertainties
The Company is dependent upon the availability of film product from its US based licensor company.

The Company is exposed to foreign exchange risk on large intercompany balances with group undertakings. To mitigate against this the directors are taking steps to ensure these balances are regularly settled. These intercompany balances can be impacted by foreign exchange movements which may result in significant gains or losses in any financial year.

Section 172(1) statement

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

Requirement

172(1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) The likely consequences of any decision in the long term.

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.

b) The interests of the company's employees.

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 is a member of Inclusive Employers, the UK's first membership organisation focused on all aspects of equality, diversity and inclusion ("D&I') for employers. The Company has also achieved a bronze award in the Inclusion Standard, the evidence-based accreditation tool for assessing and promoting inclusion in the workplace.

c) The need to foster the Company's business relationships with suppliers, customers and others.

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"), and internal policies.

Requirement (continued)

d) The impact of the company's operations on the community and the environment

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 five environmental perspectives (aspects):
- Climate Change: The Company reduces energy consumption and strives to achieve zero emissions of greenhouse gases generated throughout the lifecycle of our products and business activities in accordance to Sony's Road to Zero plan.
- 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.
- Consumer and Employees: As an entertainment and media company, the Company recognises we reach millions of people every day with our stories and content. The Company commits to use this influence to raise awareness and motivate action to support our environment.
- 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.
- 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.

Additionally, the company has separate sustainability goals addressing areas related to its core business, including incorporating a sustainable production program, raising awareness and inspiring environmental action among audiences and employees. The Company continues to use the "A Greener World" global environmental initiative to engage employees, partners and customers with an environmental message.

The company relocated the main UK office to the brand-new Brunel Building located in Paddington, London. The seventeen storey 238,000 sq ft Cat A building was completed at the end of 2019 and received a BREEAM 2014 'Excellent' rating, a Wired 'Platinum' rating and a LEED 'Gold' rating. The design of the Brunel building include many sustainable options managed by the landlord such as:
- An aquifer thermal energy storage (ATES) system, utilising two 180m-deep boreholes which provide low carbon heating and cooling to the building.
- Grey water from the showers is recycled and used to flush the WCs which reduces the potable water demand.
- Energy efficient features including cladding system designed to limit solar gain and LED lighting throughout the property

Requirement (continued)

e) The desirability of the Company's maintaining a high reputation for high standards of business conduct.

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.

f) The need to act fairly between members of the company

The Company is a wholly owned subsidiary within the SPE Group, with Sony Group 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.

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the company will continue to be able to meet its liabilities as they fall due within 12 months from the date of approval of these financial statements.

The spread of COVID-19 has meant that most movie theatres in the territories the Company operates within have had to remain closed or open at a limited capacity. Furthermore, while Sony Pictures worldwide production of films and television shows has gradually resumed, the schedule is significantly delayed in some areas. As a result, theatrical revenues and revenues generated after theatrical release, including home entertainment and television licensing sales, are expected to be significantly lower than in the previous fiscal years. This has been partially offset by much higher than expected home entertainment and television licensing revenue on available back catalogue.

The Directors do not believe that there is a risk of material misstatement to balances and disclosures made in the financial statements as a result of the COVID-19 pandemic.

The Directors have considered the financial position of the Company for the period through to 31 March 2023, based upon their best estimate of trading and associated cashflows. They have then applied a plausible but severe downside scenario which assumes that cinemas remain either closed or open with significant restrictions. Even in these circumstances the Directors believe that due to the continued strong performance of the television and home entertainment licensing divisions, and its strong balance sheet, the company will be able to meet its liabilities as they fall due. Accordingly they continue to prepare the financial statements on a going concern basis.

Approved by the Board on 15 December 2021 and signed on its behalf by:

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D N Hopgood
Company secretary and director

Columbia Pictures Corporation Limited

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the audited financial statements for the year ended 31 March 2021.

Directors' of the company
The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

D N Hopgood - Company secretary and director

W F Garvie

I M George

J L Marshall

A R O'Shea

J Rossiter (resigned 22 November 2021)

M Young

Dividends
The Directors do not recommend the payment of a dividend (2020: £nil).

Financial instruments

Objectives and policies

The Company's operations expose it to financial risks limited to foreign currency risk and credit risk due to the nature of the distribution agreements in place. The Company seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of cash and trade debtors. Foreign currency risk management policy is detailed above in Principal risks and uncertainties.

Employment of disabled persons
At Columbia Pictures Corporation Limited ("the Company" or "CPCL"), we are committed to attracting, retaining and developing talent from the widest possible pool. This includes making the recruitment process as barrier-free as possible; making the building as accessible as possible; and regularly reviewing existing processes, including our new hire experience and L&D provision, to ensure they are accessible as possible to the broadest group of people. We have included these goals in our new D&I Strategy.

CPCL has also joined the Department of Work & Pension's Disability Confident Employer Scheme to promote our work in this area.

For the past five years, CPCL has participated in National Inclusion Week, in which events and learning opportunities have included disability-specific topics, such as supporting people with learning disabilities and mental health conditions. For this years National Inclusion week we worked with Disabled Artists Networking Community (DANC) to deliver a session that explored disability, looking at attitudes and awareness and also facilitating next steps for increasing engagement with disabled talent. DANC is a fast-growing community of disabled creatives set up to increase employment and representation of deaf, disabled and neurodivergent people across the arts, media, TV & Film sectors. We align our mental health work with our wellbeing agenda to ensure consistent messages of support and include specific messages on the importance of creating safe and confidential opportunities for employees to disclose a disability or discuss changing workplace adjustments to support deteriorations in existing conditions. This year we have run awareness-raising sessions to prompt discussion and promote sources of support. For example, we have worked with two of our partners, Lime Connect and RespectAbility to deliver global disability awareness sessions for our managers and employees.

Employment of disabled persons (continued)
We were also issued with a Disability Confident certification this year in accordance with which we have made various commitments to support disabled persons including:

(i) supporting any existing employee who acquires a disability or long term health condition, enabling them to stay in work and
(ii) carrying out at least one activity which will make a difference for disabled people.

As a general statement, applications for employment by disabled persons are always fully considered bearing in mind the skills and abilities of the applicant and the requirements of the role. The Company is cognisant of its obligations to make reasonable adjustments at each stage of the application process and during employment and actively explores the same. The opportunities afforded disabled candidates and employees are, as far as possible, no less favourable than those offered to non-disabled candidates and employees.

Future developments
The subsequent year will see the release of theatrical productions, including some much anticipated titles, which are expected to generate significant revenue.

Directors' liabilities
As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. A fellow company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company and its directors.

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Environmental matters
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 five environmental perspectives (aspects):
- 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.
- 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.
- Consumer and Employees: As an entertainment and media company, the Company recognises we reach millions of people every day with our stories and content. The Company commits to use this influence to raise awareness and motivate action to support our environment.
- 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.
-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.

Environmental matters (continued)

Additionally, the company has separate sustainability goals addressing particular areas related to our core business, including incorporating a sustainable productions program, raising awareness and inspiring environmental action among audiences and employees. The Company continues to use the "A Greener World" global environmental initiative to engage employees, partners and customers with an environmental message.

The company relocated the main UK office to the brand-new Brunel Building located in Paddington, London. The seventeen storey 238,000 sq ft Cat A building was completed at the end of 2019 and received a BREEAM 2014 'Excellent' rating, a Wired 'Platinum' rating and a LEED 'Gold' rating. The design of the Brunel building include many sustainable options managed by the landlord such as:

-An aquifer thermal energy storage (ATES) system, utilising two 180m-deep boreholes which provide low carbon heating and cooling to the building.
-Grey water from the showers is recycled and used to flush the WCs which reduces the potable water demand.
-Energy efficient features including cladding system designed to limit solar gain and LED lighting throughout the property.

The company appointed BDG architecture + design and AECOM engineering to deliver the fit-out project of floors 10 to 13 in the Brunel Building. The BREEAM Refurbishment and fit-out 2014 standard was an integral part of the project achieving an excellent certification with a 75.96% score. The fit-out included open plan offices together with partitioning for new meeting rooms, screening rooms, tea points, café area, bar and lounge, print rooms, post room, IT stores, MDF and IDF rooms and other ancillary areas. Highlights from the fit-out project include:

-Use of Responsible Construction Practices and Considerate Constructors Scheme with a score of 40, with 8 (excellent) in each category.
-All timber used in the project was verified to be legally harvested and traded timber.
-The project used certified materials with low volatile organic compounds (VOCs) and other chemicals including furniture, paints and varnishes, wood panels, wood flooring, resilient textiles and laminate flooring, suspended ceilings and flooring adhesives.
-All lighting are LEDs and lighting levels are controlled via daylight sensors with fully dimmable control gear for specific locations e.g. meeting rooms.
-A Building Management System (Building OS- Lucid) is connected to landlord and office specific electrical and water meters that record, track and monitor consumption.
-Equipment, furniture and office supplies from the old office space were reused in the new space. IT completed a refresh project before the move with a strategy for streamlining and reducing the number of equipment required per employee (e.g. eliminated need for desk phones, eliminated docking stations and removed older equipment).
-A waste minimisation and waste management strategy was created for the space to reduce the quantity of waste generated, improve reuse of materials and ensure proper waste segregation and recycling materials.

Mandatory Requirements

As part of the EMS, we have been tracking environmental data and carbon emissions for our operations in the UK since 2010, and have used the data to reduce environmental impact through facilities projects. We have complied with Phase 2 of the UK's Energy Savings Opportunities Scheme in 2019 which included subsidiaries as required under the scope of the scheme. The assessment included a transportation audit and site energy audits that identified several energy efficiency initiatives.

Environmental matters (continued)

We understand the obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have prepared this report in accordance with the requirements for large companies under these new regulations including calculated GHG emissions arising from business activities in the reporting fiscal year 1 April 2020 to 31 March 2021 are as follows:

Energy Source	Miles	Consumption (kWh)	Emissions tCO2e 1	Emissions tCO2e	GHG Emission source	SECR kWh pass &delivery vehicles
Scope 1: Gas – total kWh used for the year taken from gas bills (kWh Gross CV) 2	-	250,076	45,804	45.8	0.18316	-
Scope 2: Electricity – total kWh used for the year, taken from the electricity bills	-	1,258,836	267,288	267.29	0.21233	-
Scope 3: Transport – total mileage for car rentals (by Market Segment) 3	7,738	8,403	2,284	2.28	Various	Various
Scope 3: Transport – total mileage for fuel reimbursed from staff claims (by size) unknown medium cars miles 3	13,805	15,833	4,475	4.47	0.28263	1.14688
Total	**21.544.06**	**1,533,148**	**319,852**	**319.85**		

Intensity ratio	Emissions data (tCO2e) compared with an appropriate business activity (square footage CPCL Facilities m2)	6,341		m2
		50.44 kg	0.0504 t	CO2e per m2

1 Government conversion factors for company reporting of greenhouse gas emissions
2 Natural gas usage for the old office space (April - June 2020)
3 Calculation: Miles * SECR kWh pass & delivery vehicles conversion factor / kWh * GHG Emission source

The company expected a reduction of 20-30% for scope 1 and 2 emissions with the move to the new office space in the Brunel Building. The expected reduction would be the result from decreased office space area and number of employees, no direct use of natural gas, new office equipment including IT kit, white goods, audio-visual equipment, etc and overall, more efficient processes and plant. Due to the COVID pandemic and the restrictions that were present in the office space, less people attended the office with a result of energy consumption reduction for scope 1 & 2 of 64%. Additionally, the Facilities and Sustainability teams completed additional energy reduction projects including:

- Reducing amount of time lighting is ON after vacating a room.
- Reducing light intensity in specific rooms.
- Updating the schedule of the secondary lighting and audio-visual equipment around the space.
- Temperature adjustment of IT rooms.

Emissions from fuel consumption expensed by employees increased due to preference to travel in private cars over public transportation. The company is reviewing options for sustainable ground transportation to offer to all employees. The new process would improve data gathering, more accurate GHG calculations and will allow the company to establish a reduction goal for scope 3 emissions.

Employee involvement

The Company remains committed to employee involvement throughout the business. Employees are informed of the performance and strategy of Sony Pictures by information cascaded down through the organisation by Business Unit heads, together with communications from the CEO and Chairman, and business leaders, both electronically and through 'All hands' meetings in LA and the UK, which have taken place virtually over the last eighteen months due to the Covid-19 pandemic.

In 1995, Sony Pictures Entertainment created a forum for employee representatives from the countries in the European Union on matters impacting its workforce in two or more countries. The Information and Consultation Forum ("ICF") meets on an annual basis in a European location (or virtually) and includes representatives from Poland, France, Austria, Belgium, Spain, Italy, Hungary, Germany, the Republic of Ireland and the UK.

We also have communities within CPCL formed by employees who share a commonality or interest. The groups aim to provide their members with professional development, networking and community outreach opportunities, and promote a culture of understanding, acceptance, and inclusion. CPCL has five in the UK:

• AGENDA ('Advocates for Gender Equality, Neutrality, Development and Action') is an employee business resource group (EBRG) which focuses on helping CPCL employees to promote a gender balanced perspective with visibility and transparency on creating equal opportunities for success.
• ACT UK is an initiative to create opportunities for employees to participate in charity and volunteer events.
• Spotlight is an EBRG providing professional development opportunities for CPCL employees in the UK and promotes innovation by sharing new technologies and business models in film, TV and other forms of entertainment.

EM-Powered is an EBRG which aims to be a representative movement which proactively champions and advocates for the voices, interests and experiences of ethnic minority employees and issues connected to race and ethnicity generally in the workplace.

EMEA OUT is an EBRG which aims to provide a forum focused on supporting and celebrating the LGBTQ+ community and their allies. They aim to offer networking, professional development and community outreach activities to all SPE employees who have a shared interest in creating an inclusive environment for all, regardless of sexual orientation or gender identity.

Social and community issues

CPCL is committed to equality of opportunity in all its employment practices, policies and procedures. No worker or potential worker will therefore receive less favourable treatment due to his or her race, age, sexual orientation, gender re-assignment, nationality, disability, religion or belief, gender, maternity, pregnancy, marital and civil partnership status or Trade Union membership (if applicable).

CPCL 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 is a member of Inclusive Employers, the UK's first membership organisation focused on all aspects of equality, diversity and inclusion ("D&I') for employers. Our approach to diversity and inclusion is supported by a range of learning and development (L&D) interventions, including unconscious bias training, Diversity and Inclusion masterclasses and inclusive leadership workshops.

In September 2018, we launched out' global Diversity and Inclusion Strategy in the UK, which sets out our priority areas for the next financial year and the key activities through which we intend to achieve our aims. These were developed using feedback from our employees.

CPCL's D&I strategy consists of a multi-pronged racial equity and inclusion strategy anchored on four pillars: Our People, Our Content, Our Partnerships and Our Community. Our initiatives include a range of learning and development (L&D) interventions, including, D&I masterclasses, inclusive leadership workshops and establishing the Creative Diversity Fund which aims to support above-the-line talent (including writers, producers and directors) by funding a wide variety of projects that build CVs/credits and encourage long-lasting relationships with experienced mentors from across our international production group.

We achieved a bronze standard as part of the Inclusive Employers Standard. The Inclusive Employer's Standard is a framework to support us to monitor and continuously improve our progress towards becoming a more inclusive employer.

The EBRGs, referenced above, also arrange a number of awareness raising sessions on D&I related topics throughout the year.

We also have newly established partnerships with four non-profit partners (Blueprint for All, Imkaan, Terrence Higgins Trust and Refugee Education UK) to contribute our time and resources to assist in supporting marginalised communities.

Approved by the Board on 15 December 2021 and signed on its behalf by:

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D N Hopgood

Company secretary and director

Columbia Pictures Corporation Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Independent auditors' report to the members of Columbia Pictures Corporation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Columbia Pictures Corporation Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2021; the income statement, statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' 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 auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to corporate tax legislation, employment law and competition law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate accounting entries and management bias in significant accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of management's controls designed to prevent and detect irregularities;
- testing journal entries with unusual general ledger account combinations;
- challenging estimates made by management in determining significant accounting estimates; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

R P Girdlestone

Robert Girdlestone (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
15 December 2021

Columbia Pictures Corporation Limited

Income Statement for the Year Ended 31 March 2021

	Note	2021 £ 000	2020 £ 000
Revenue	3	340,426	538,167
Cost of sales		(263,669)	(438,365)
Gross profit		76,757	99,802
Administrative expenses		(76,569)	(89,989)
Other operating income	4	3,615	7,197
Operating profit before exceptionals	5	3,803	17,010
Impairment of investments in subsidiary undertakings	6	(100,941)	(3,103)
Impairment of held for sale investments	28	(5,807)	-
Operating (loss)/profit after exceptionals		(102,945)	13,907
Income from other fixed asset investment	26	56,889	44,253
Finance income	7	1,288	5,817
Finance costs	8	(2,936)	(2,885)
Other finance income		162	9
Net finance income		55,403	47,194
(Loss)/profit before tax		(47,542)	61,101
Income tax credit/(expense)	12	1,179	(8,854)
(Loss)/profit for the financial year		(46,363)	52,247

The above results were derived from continuing operations.

The notes on pages 21 to 63 form an integral part of these financial statements.

Columbia Pictures Corporation Limited

Statement of Comprehensive Income for the Year Ended 31 March 2021

	Note	2021 £ 000	2020 £ 000
(Loss)/profit for the financial year		(46,363)	52,247
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of actuarial (loss)/gain on defined benefit pension scheme	25	(7,085)	5,511
Remeasurement of income tax effect on actuarial (loss)/gain on defined benefit pension scheme		1,347	(1,056)
Total other comprehensive (expense)/income		(5,738)	4,455
Total comprehensive income for the year		(52,101)	56,702

The notes on pages 21 to 63 form an integral part of these financial statements.

Columbia Pictures Corporation Limited

(Registration number: 00242372)
Statement of Financial Position as at 31 March 2021

	Note	2021 £ 000	2020 £ 000
Assets			
Fixed assets			
Intangible assets	15	20	9,654
Tangible assets	13	15,275	12,314
Right of use assets	14	56,396	64,787
Investments	16	245,545	344,966
Retirement benefit surplus	25	1,391	6,696
		318,627	438,417
Current assets			
Inventories	17	1,300	984
Trade and other receivables	18	426,033	737,555
Income tax asset	12	4,951	6,262
Cash and cash equivalents	19	159,706	175,744
Deferred tax assets/(liabilities)	12	2,152	(17)
Assets in disposal group classified as held for sale	28	689	-
		594,831	920,528
Total assets		913,458	1,358,945
Equity and liabilities			
Equity			
Called up share capital	20	25	25
Share premium account	21	426,947	426,947
Other reserves	21	(180,926)	(180,926)
Retained earnings	21	85,187	137,288
		331,233	383,334
Creditors: amounts falling due after more than one year			
Long term lease liabilities	23	56,885	58,975
Loans and borrowings	22	50,000	76,609
Contract liabilities		2,016	2,204
		108,901	137,788
Creditors: amounts falling due within one year			
Current portion of long term lease liabilities	23	2,111	5,102
Trade and other payables	24	390,433	830,572
Loans and borrowings	22	78,214	-
Contract liabilities		2,566	2,149
		473,324	837,823
Total liabilities		582,225	975,611
Total equity and liabilities		913,458	1,358,945

The notes on pages 21 to 63 form an integral part of these financial statements.

Columbia Pictures Corporation Limited

(Registration number: 00242372)
Statement of Financial Position as at 31 March 2021 (continued)

Approved by the Board on 15 December 2021 and signed on its behalf by:

....

D N Hopgood
Company secretary and director

Columbia Pictures Corporation Limited

Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2020	25	426,947	(180,926)	137,288	383,334
Loss for the year	-	-	-	(46,363)	(46,363)
Other comprehensive expense	-	-	-	(5,738)	(5,738)
Total comprehensive income	-	-	-	(52,101)	(52,101)
At 31 March 2021	25	426,947	(180,926)	85,187	331,233

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2019	25	303,854	(180,926)	80,586	203,539
Profit for the year	-	-	-	52,247	52,247
Other comprehensive income	-	-	-	4,455	4,455
Total comprehensive income	-	-	-	56,702	56,702
Other share premium reserve movements	-	123,093	-	-	123,093
At 31 March 2020	25	426,947	(180,926)	137,288	383,334

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:
12th Floor, Brunel Building
2 Canalside Walk
London
W2 1DG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The financial statements of Columbia Pictures Corporation Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, except for defined benefit pension plan assets measured at fair value, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain accounting estimates. It requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed later in these accounting policies under 'Critical accounting estimates and assumptions.

2 Accounting policies (continued)

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

• 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 of IFRS 3, 'Business combinations'.
• IFRS 7, 'Financial instruments: Disclosures'.
• Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation

Techniques and inputs used for fair value measurement of assets and liabilities).
• The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers'
• Paragraph 38 of IAS 1, 'Presentation of financial statements' - comparative information requirements in respect of:
(i) paragraph 79(a)(iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
(iii) paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).

The following paragraphs of IAS 1, 'Presentation of financial statements':
- 10(d) (statement of cash flows);
- 16 (statement of compliance with all IFRS);
- 38A (requirement for minimum of two primary statements, including cash flow statements);
- 38B-D (additional comparative information);
- 111 (cash flow statement information); and
- 134-136 (capital management disclosures).

• IAS 7, 'Statement of cash flows'.
• Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
• Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
• The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

2 Accounting policies (continued)

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the company will continue to be able to meet its liabilities as they fall due within 12 months from the date of approval of these financial statements.

The spread of COVID-19 has meant that most movie theatres in the territories the Company operates within have had to remain closed or open at a limited capacity. Furthermore, while Sony Pictures worldwide production of films and television shows has gradually resumed the schedule is significantly delayed in some areas. As a result, theatrical revenues and revenues generated after theatrical release, including home entertainment and television licensing sales, are expected to be significantly lower than in the prior fiscal year. This has been partially offset by much higher than expected home entertainment and television licensing revenue on available back catalogue.

The Directors do not believe that there is a risk of material misstatement to balances and disclosures made in the financial statements as a result of the COVID-19 pandemic.

The Directors have considered the financial position of the Company for the period through to 31 March 2023, based upon their best estimate of trading and associated cashflows. They have then applied a plausible but severe downside scenario which assumes that cinemas remain either closed or open with significant restrictions. Even in these circumstances the Directors believe that due to the continued strong performance of the television and home entertainment licensing divisions, and its strong balance sheet, the company will be able to meet its liabilities as they fall due. Accordingly they continue to prepare the financial statements on a going concern basis.

Consolidated financial statements

The Company is a wholly owned subsidiary of Sony Group Corporate Services Europe Limited and of its ultimate parent, Sony Group Corporation. The results of the Company are included in the consolidated financial statements of Sony Group Corporation which are publicly available and can be obtained as set out in note 27. Therefore the Company is exempt by virtue of section 400 of the Company's Act 2006 from the requirement to prepare consolidated financial statements.
These financial statements are the Company's separate financial statements.

Changes in accounting policy

New standards and interpretations that are effective and are not expected to have an effect on the financial statements of the Company are set out below:

IFRS 17: Insurance Contracts (effective: 1 January 2021)

Revenue recognition

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's activities are described in detail below.

2 Accounting policies (continued)

Revenue recognition (continued)

Theatrical and Television Distribution

Revenue from the theatrical exhibition of motion pictures is recognised as the customer exhibits the film. Revenues from the licensing of motion picture and television programming for pay and free television exhibition and other markets are recognised when the product is available for use by the licensee. Revenues for motion pictures and television programme 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 or television programming product delivered generally represents a separate performance obligation. Licensing revenue associated with certain renewals or extensions of existing agreements for motion pictures and television programming 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.

Home Entertainment

For home entertainment distribution, revenues from the sale of physical products such as DVDs and Blu-ray Disc, net of anticipated returns and sales incentives, are recognised when delivery has occurred, and the product is available for sale to the public. Revenues from electronic sell-through and video-on-demand are recognised when the product is made available for viewing via digital distribution platforms.

Advertising Revenue

Advertising revenue is generated for adverts which are aired in between programmes. Revenue is generally dependant on the underlying advertisement ratings.

Revenues from the sale of broadcast advertising are recognised when the advertisement is aired, and the performance obligation in these arrangements is the delivery of advertising spots and may include a guaranteed amount of impressions. When a guarantee for a number of impressions is not achieved, revenues are not recognised until additional advertising spots are delivered to provide the guaranteed impressions.

Networks Subscriptions

These revenues are licensing agreements for TV channels which are available for broadcast to cable operators & DTH platforms.

Revenues from subscription fees received by television networks are recognised when the service is provided. The performance obligation under network subscription arrangements is a license of functional intellectual property that is satisfied as programming is provided over the term of the arrangement.

Producer share

In the process of adopting FRS 101 the company has assessed its contractual arrangements related to the Producer share which it charges to affiliated companies in return for granting them the right to distribute films and television programmes, rights which the company itself has licensed from CPT Holdings Inc. The company believes that its role in these arrangements is one of agent, rather than principal, and so has concluded that it should account for its net retained fee of 2.5% of gross revenues received as an agency fee for services, rather than recording gross revenue receipts as revenue which was the previous treatment under FRS 102.

2 Accounting policies (continued)

Tax

The tax expense for the financial year comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment

Property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Fixtures and fittings

Fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

(i) Derecognition

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'. :

Asset class	**Depreciation method and rate**
Leasehold improvements	Period of lease
Fixtures and fittings	3 years

Business Combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Company recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Intangible assets

Programming assets are capitalised and amortised over the period of the license.

Intangible assets related to dubbing are capitalised and amortised over the period of the license.

2 *Accounting policies (continued)*

Investments
Investments held as fixed assets are shown at cost less provision for impairment. When the cost of investment is not supported by the underlying net assets, then the company will compare the investment carrying value to the recoverable amount which is the higher of the value in use and fair value less cost of disposal and where applicable will impair the investment.

(i) Investment in subsidiary company

Investment in subsidiary company is held at cost less accumulated impairment losses.

(ii) Investment in associate

Investment in subsidiary and associate company is held at cost less accumulated impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Short-term deposits with related parties represent deposits with Sony Global Treasury Services plc which are accessible on demand. There is a sweep arrangement in place between the company's bank account and the short term deposit account with Sony Global Treasury Services plc.

Trade receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade payables
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 current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2 Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

· Obtain substantially all the economic benefits from the use of the underlying asset, and;
· Direct the use of the underlying asset (eg direct how and for what purpose the asset is used)

The company leases an office and office equipment. Rental contracts are typically made for fixed periods of 6 months to 10 years but may have extension options as described.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of property for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Until 31 March 2019, leases in which a significant portion of the risks and rewards of ownership were not transferred to the company as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. From 01 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

2 Accounting policies (continued)

Leases (continued)

Initial recognition and measurement

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

• Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

• Makes adjustments specific to the lease, e.g. term, country, currency and security.

Subsequent measurement

After the commencement date, the company measures the lease liability by:

(a) Increasing the carrying amount to reflect interest on the lease liability;

(b) Reducing the carrying amount to reflect the lease payments made; and

(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are [presented separately as non-operating /included in finance cost] in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

2 Accounting policies (continued)

Leases (continued)

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

(a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements. Low value assets comprise small items of office equipment.

Sub leases

If an underlying asset is re-leased by the company to a third party and the company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease).

After classification lessor accounting is applied to the sublease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2 Accounting policies (continued)

Defined benefit pension obligation
The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been made the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

(iii) Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

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

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts in net interest are disclosed as 'Remeasurements of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:
a. the increase in pension benefit liability arising from employee service during the period; and
b. the cost of plan introductions, benefit changes, curtailments and settlements

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

(iv) Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the statement of comprehensive income when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Dividends
Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

2 Accounting policies (continued)

Contract liabilities
Contract liabilities primarily consists of the following:

Revenue received in advance from customers which the Company is not entitled to recognise. Revenue is initially recognised in contract liabilities and subsequently recognised to revenue in proportion over the length of the contract. Refer to revenue recognition policy for details on how this revenue is recognised.

Financial instruments

Initial recognition
Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement
Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-
· financial assets at amortised cost;
· financial assets at fair value through other comprehensive income (FVTOCI); or
· financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-
· financial liabilities at amortised cost; or
· financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

2 Accounting policies (continued)

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-
· the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Derecognition

Financial assets

The company derecognises a financial asset when;
- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

2 Accounting policies (continued)

Modification of financial assets and financial liabilities (continued)

Financial liabilities

If the terms of a financial liabilities are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

Impairment of financial assets

Measurement of Expected Credit Losses

The company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVTPL, namely:

- Financial assets that are debt instruments
- Accounts and other receivables
- Financial guarantee contracts issued; and
- Loan commitments issued.

The company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the company recognises the lifetime ECL.

The company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

2 Accounting policies (continued)

Impairment of financial assets (continued)
Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the company, or economic conditions that correlate with defaults in the company..

For trade receivables, the company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 March 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Critical accounting estimates and assumptions
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of certain financial assets, liabilities, income and expenses. The use of estimates and assumptions is principally limited to the determination of provisions for impairment, the valuation of financial instruments.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Defined benefit pension scheme

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and time present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 25 for the disclosures relating to the defined benefit pension scheme.

(ii) Valuation of investments

The fair value of investments involves the estimation of future cash flows to be generated over a number of years. The estimation of the fair values requires the combination of assumptions including revenue growth, and discount rates which requires judgement.

2 Accounting policies (continued)

Producer share

In applying IFRS 15 to the company's producer share revenue to the Company has determined that its role is one of agent rather than principal and accordingly recognises only its net retained fee as revenue. This is a significant accounting judgement.

3 Revenue

The analysis of the company's revenue for the year by line of business is as follows:

	2021 £ 000	2020 £ 000
Theatrical	1,569	56,925
Television distribution	210,613	263,095
Theatrical sub licensing	7,288	84,047
Networks subscriptions and advertising	85,740	92,895
Home entertainment distribution	28,215	31,648
Producer share licensing	7,001	9,557
	340,426	538,167

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 £ 000	2020 £ 000
Government grants -Coronavirus Job Retention Scheme	445	-
Management service fee	11,040	13,328
Foreign exchange loss	(7,189)	(6,131)
Defined benefit pension (expense)	(681)	-
	3,615	7,197

5 Operating profit

Arrived at after charging

	Note	2021 £ 000	2020 £ 000
Depreciation expense	13	2,079	2,405
Depreciation on right of use assets - Machinery	14	2,230	-
Depreciation on right of use assets - Property	14	5,398	7,934
Amortisation expense on Intangible Assets	15	5,241	6,573

6 Impairment of investments in subsidiary undertakings

	Note	2021 £ 000	2020 £ 000
Impairment charges	16	100,941	3,103
		100,941	3,103

7 Finance income

	2021 £ 000	2020 £ 000
Interest income on bank deposits	1,288	5,817

8 Finance costs

	2021 £ 000	2020 £ 000
Interest on borrowings	1,739	2,152
Interest expense on leases	1,197	733
	2,936	2,885

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	36,303	35,890
Social security costs	4,361	4,230
Other pension costs	1,242	1,990
	41,906	42,110

The average monthly number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Television	139	138
Administration	133	130
Theatrical	40	44
Home Entertainment	37	44
	349	356

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £ 000	2020 £ 000
Remuneration	4,333	3,899
Company pension contribution	91	91
	4,424	3,990

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under defined benefit pension scheme	1	1

In respect of the highest paid director:

	2021 £ 000	2020 £ 000
Remuneration	1,310	1,215
Company contributions to money purchase pension schemes	10	10

11 Auditors' remuneration

	2021 £ 000	2020 £ 000
Audit of the financial statements	163	147

There were no amounts paid for non audit services (2020 £Nil).

12 Income tax credit/(expense)

Tax charged/(credited) in the income statement

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax	767	3,294
UK corporation tax adjustment to prior periods	(3,798)	(1,572)
Double taxation relief	(853)	-
	(3,884)	1,722
Foreign tax	3,528	6,259
Total current income tax	(356)	7,981
Deferred taxation		
Arising from origination and reversal of temporary differences	(166)	582
Arising from changes in tax rates and laws	-	(142)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(657)	433
Total deferred taxation	(823)	873
Tax (receipt)/expense in the income statement	(1,179)	8,854

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
(Loss)/profit before tax	(47,542)	61,101
Corporation tax at standard rate	(9,033)	11,609
Decrease in UK and foreign current tax from adjustment for prior periods	(4,456)	(1,140)
Income not taxable	(10,809)	(9,070)
Effect of expense not deductible in determining taxable profit (tax loss)	20,423	1,490
Tax increase from transfer pricing adjustments	21	83
Tax increase arising from overseas tax suffered/expensed	2,675	6,259
Deferred tax expense from unrecognised tax loss or credit	-	1
Rate adjustments -deferred tax	-	(142)
Other tax effects for reconciliation between accounting profit and tax income	-	(236)
Total tax (credit)/charge	(1,179)	8,854

12 Income tax credit/(expense) (continued)

Deferred tax
Deferred tax assets and liabilities

Deferred tax movement during the year:

	At 1 April 2020 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 March 2021 £ 000
Pension benefit obligations	-	-	-	-
Other items	(17)	-	-	(17)
Transition adjustments arising from first time adoption	-	-	-	-
Adjustment in respect of prior periods	-	657	-	657
Deferred tax charge to I/S for the period	-	166	-	166
Deferred tax charge in OCI for the period	-	-	1,346	1,346
Movement arising from the transfer of trade	-	-	-	-
Other - equity	-	-	-	-
Net tax assets/(liabilities)	(17)	823	1,346	2,152

Deferred tax movement during the prior year:

	At 1 April 2019 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 March 2020 £ 000
Pension benefit obligations	-	-	-	-
Other items	1,912	-	-	1,912
Transition adjustments arising from first time adoption	-	-	-	-
Adjustment in respect of prior periods	-	(433)	(37)	(470)
Deferred tax charge to I/S for the period	-	(440)	-	(440)
Deferred tax charge in OCI for the period	-	-	(1,019)	(1,019)
Movement arising from the transfer of trade	-	-	-	-
Other - equity	-	-	-	-
Net tax assets/(liabilities)	1,912	(873)	(1,056)	(17)

Factors affecting future tax rates
In the spring budget 2021, the government announced that from 1 April 2023, the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively executed at the balance sheet date, its effects are not included in these financial statements.

13 Tangible assets

	Leasehold improvements £ 000	Fixtures and fittings £ 000	Total £ 000
Cost or valuation			
At 1 April 2020	17,165	2,782	19,947
Additions	3,853	2,298	6,151
Disposals	(7,934)	(1,234)	(9,168)
Transfers	(1,681)	1,681	-
At 31 March 2021	11,403	5,527	16,930
Accumulated depreciation			
At 1 April 2020	6,471	1,162	7,633
Charge for the year	1,107	972	2,079
Eliminated on disposal	(6,880)	(1,177)	(8,057)
At 31 March 2021	698	957	1,655
Carrying amount			
At 31 March 2021	10,705	4,570	15,275
At 31 March 2020	10,694	1,620	12,314

Included within the net book value of leasehold improvements above is £10,704,801 (2020 - £10,693,065) in respect of long-term leasehold improvements.

14 Right of use assets

	Machinery £ 000	Property £ 000	Total £ 000
Cost or valuation			
At 1 April 2020	4,738	70,716	75,454
Disposals	-	(5,927)	(5,927)
At 31 March 2021	4,738	64,789	69,527
Accumulated depreciation			
At 1 April 2020	2,508	8,159	10,667
Charge for the year	2,230	5,398	7,628
Eliminated on disposal	-	(5,164)	(5,164)
At 31 March 2021	4,738	8,393	13,131
Carrying amount			
At 31 March 2021	-	56,396	56,396
At 31 March 2020	2,230	62,557	64,787

15 Intangible assets

	Dubbing Assets £ 000	Programming Assets £ 000	Other intangible assets £ 000	Total £ 000
Cost or valuation				
At 1 April 2019	2,771	14,527	-	17,298
Additions	438	3,850	2,059	6,347
Disposals	(119)	(6,350)	-	(6,469)
At 31 March 2020	3,090	12,027	2,059	17,176
At 1 April 2020	3,090	12,027	2,059	17,176
Additions	926	72	-	998
Disposals	(1,397)	(12)	-	(1,409)
At 31 March 2021	2,619	12,087	2,059	16,765
Accumulated amortisation				
At 1 April 2019	828	6,576	-	7,404
Amortisation charge	370	5,853	350	6,573
Amortisation eliminated on disposals	(105)	(6,350)	-	(6,455)
At 31 March 2020	1,093	6,079	350	7,522
At 1 April 2020	1,093	6,079	350	7,522
Amortisation charge	1,415	3,826	-	5,241
Amortisation eliminated on disposals	(1,337)	(13)	-	(1,350)
Impairment	1,448	2,175	1,709	5,332
At 31 March 2021	2,619	12,067	2,059	16,745
Carrying amount				
At 31 March 2021	-	20	-	20
At 31 March 2020	1,997	5,948	1,709	9,654

The aggregate amount of research and development expenditure recognised as an expense during the year is £Nil (2020- £Nil).

The impairment of intangible assets relates to the sale of the Company's UK and Central Europe TV Network activities.

16 Investments

Subsidiaries and associate undertakings	**£ 000**
Cost or valuation	
At 1 April 2019	200,976
Impairment	(3,103)
Additions	147,093
At 31 March 2020	344,966
At 1 April 2020	344,966
Impairment	(100,941)
Additions	1,520
At 31 March 2021	245,545
Carrying amount	
At 31 March 2021	245,545

During the year, the Company acquired additional share of capital of the following subsidiary:

	£000
Stellify Media (NI) Ltd additional 19% shares	1,520

16 Investments (continued)

Impairment

The company determines whether investments are impaired when indicators of impairment exist or based on the annual impairment assessment. The annual assessment requires an estimate of the recoverable amount by reference to the value in use of those investments. Where the recoverable amount is less than the carrying value, an impairment charge to reduce the investment to recoverable amount is recognised. The ongoing impact of Covid is determined to be an indicator of impairment.

Estimating value in use requires the Company to make an estimate of the expected future cash flows from its investment and discount these to net present value at a pre-tax discount rate.

Management used the below key assumptions when preparing the cashflow forecast:

• the cashflow forecast is deemed to represent a standard year of cashflow generated under normal operating conditions. Management based it on past experience
• For 2022-2026 forecast period, management have applied a 10% reduction to the latest estimate to account for forecast uncertainty
• The cash flows have been extrapolated into perpetuity from 2026 applying a long-term growth rate of 2% and adjusted to take into account the repayment of any borrowings held at 31 March 2021. This has been discounted at a pre-tax discount rate of 12.3%

During the year the company has re-assessed the fair values of its investments in subsidiary undertakings in light of the prolonged impact of Covid and has recorded an impairment of £101m. The more significant investments impacted were Silvergate Topco Limited, Sony Benelux and a number of othesr smaller entities. The principal assumptions in determining the fair values of investments were the speed of recovery in cashflows over the next 5 years and the discount rate applied. Should cashflows be 10% lower than assumed in the impairment analysis in each of the next 5 years the impairment arising would increase by £9m. A rise in the discount rate by 1% would increase the impairment by £5.6m.

In calculating the recoverable amount of the company's investments, reference was also made to the fair value less cost of disposal (FVLCD). It was concluded that the calculated fair value less cost of disposal was greater than value in use therefore the recoverable amount was deemed to represent the fair value less cost of disposal. FVLCD reflects the assumptions that market participant would use when pricing the asset. FVLCD model allowed to take into account cash inflows that are expected from a future restructuring to which entity is not yet committed.

16 Investments (continued)

Details of the subsidiaries as at 31 March 2021 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 2021	2020
Point Productions Limited	Production of films	12th Floor, Brunel Building, 2 Canalside Walk, London, W2 1DG	100	100%	100%
Rose Line Productions	Production of films	12th Floor, Brunel Building, 2 Canalside Walk, London, W2 1DG	100	100%	100%
Sony Pictures Television Production (UK) Limited	Production of films	12th Floor, Brunel Building, 2 Canalside Walk, London, W2 1DG	100	100%	100%
Step Topco Limited	Television Networks	Brunel Building, 12 Canalside Walk, London W2 1DG	100	100%	100%
Sony Pictures Entertainment Iberia SLU	Television production	Calle Pedro de Valdivia, 28006 Madrid, Spain	100	100%	100%
Sony Pictures Television Central Europe kft.	Production of films and Television Networks	Budapest, Terez krt 55-57, 1062 Hungary	100	100%	100%
Sony Pictures Entertainment Benelux BV	Television production,recording, selling and distribution of video cassettes and DVDs	Bergweg 62. 1217 SC. Hilversum	100	100%	100%
Sony Pictures Entertainment Italia S.r.l.	Television production	Via Cantalupo in Sabina, 29. Rome, RM 00191	100	100%	100%
Sony Pictures Entertainment France SASU	Production of films	27 rue de Berri, 75008 Paris 8	100	100%	100%
Sony Pictures Entertainmetn Deutschlamd GmbH*	Holding company	Kemperpl. 1, 10785 Berlin Germany	100	100%	100%

16 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 2021	2020
Sony Pictures Global Business Services Sp. Z.o.o.	Production of films	Luzycka 6, 80-236 Gdynia	100	100%	100%
Sony Pictures Releasing S.A.	Production of films	Quai Au Foin 55 Bruxelles, 1000 Belgium	99.94	99.94%	99.94%
Sony Pictures Filmverleih GmbH	Production of films	Apostelgasse 23, 4th floor, Vienna, 1030, Austria	100	100%	100%
Sony Pictures Releasing Switzerland GmbH	Film distribution	Dufourstrasse 24, 80008 Zurich, Switzerland	100	100%	100%
AXN Poland Sp. Z.o.o.	Television Networks	Piekna 18, 00-549 Warszawa	100	100%	100%
Planet TV Investment	Television Networks	Top Zeren Soak No: 40 Besiktas / Istanbul MAH. / Besiktas	100	100%	100%
Sony Pictures Home Entertainment SRL	Home video distribution division	Via Galileo Galilei 40 20092, Cinisello Balsamo, Milan	100	100%	100%
Sony Pictures Television UK Rights Limited	Television Production	Brunel Building, 12 Canalside Walk, London W2 1DG	100	100%	100%
Sony Pictures Television Production PTY Limited	Television Production	Level 30, 1 Market Street, Sydney NSW 2000	100	100%	100%
Human Media Limited	Television Production	Brunel Building, 12 Canalside Walk, London W2 1DG	100	100%	100%
Electric Ray Limited	Television Production Company	Brunel Building, 12 Canalside Walk, London W2 1DG	51.1	51.1%	51.1%
Stellify Media (NI) Limited	Television Production Company	58 Howard Street, Suites 7-9, 3rd Floor, Belfast, Northern Ireland, BT1 6PJ	70	70%	51%

16 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 2021	2020
Sony Pictures Home Entertainment Limited	Video distribution activities	Brunel Building, 12 Canalside Walk, London W2 1DG	100	100%	100%
Columbia Pictures Holdings Arabia Limited	Television programme production activities	1 More London Place, London, SE1 2AF	100	100%	100%
Colgems Productions Limited	Licensing and distribution of films	Brunel Building, 12 Canalside Walk, London W2 1DG	100	100%	100%
Cable Direct Media Holdings Limited	Television programming and broadcasting activities	Brunel Building, 12 Canalside Walk, London W2 1DG	51	51%	51%
Silvergate Topco Limited	Television production	Fourth Floor York House, 23 Kingsway, London WC2B 6UJ	100	100%	100%

* indicates direct investment of the company

16 Investments (continued)

Associates

Details of the associates as at 31 March 2021 are as follows:

Name of associate	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2021	2020
Filmbank Distributors Limited	Non standard distribution outlets	Warner House, 98 Theobald's Road, London, WC1X 8WB	33.33%	33.33%
Eastern European Holdings Limited	Holding Company	3 Queen Caroline Street, Hammersmith, London, W6 9PE	50%	50%
Palladium Fiction AB	Television Production	Odlingsvägen 6, 170 77 Solna, 25	25%	25%
Novebox AG	Manage baby TV channel and distribution in Indonesia	Seefeldstrasse 113, 8008 Zürich	50%	50%
Plato Media Limited	Other information technology service activities	1 Vincent Square, London, SW1P 2PN	31.9%	31.9%

16 Investments (continued)

Undertakings

Details of the indirect subsidiary undertakings as at 31 March 2021 are as follows:

Name of indirect subsidiary undertakings	Country of incorporation	Registered office	Proportion of ownership interest and voting rights held 2021	2020
OOO Walt Disney Studios Sony Pictures Releasing	Russia	09004, Moscow City, Stanislavsky Street, 21, Page 3 Ru Russia	50%	50%
Left Bank Pictures (Television) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH, UK United Kingdom	84.04%	84.04%
Left Bank Pictures (Ganglands) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (MSO) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Wallander) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (DCI Banks) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Zen) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Mad Dogs) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Tommy Cooper) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures Television (Mad Dogs 3) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%

16 Investments (continued)

Name of indirect subsidiary undertakings	Country of incorporation	Registered office	Proportion of ownership interest and voting rights held 2021	2020
LBP (The Crown) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Strike Back) Limited	United Kingdom	27-28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (SB2) Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Strike Back 3) Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Strike Back 4) Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Strike Back 5) Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Joyce Hatto) Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures (Ice Cream Girls) Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
LBP Outlander Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
LBP Outlander Series 2 Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
LBP Lander Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%

16 Investments (continued)

Name of indirect subsidiary undertakings	Country of incorporation	Registered office	Proportion of ownership interest and voting rights held 2021	2020
Left Bank Pictures (Film) Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Left Bank Pictures Film (The Divided Heart) Limited	United Kingdom	27/28 Eastcastle Street, London, W1W 8DH United Kingdom	84.04%	84.04%
Golden Square Pictures Limited	United Kingdom	25 Golden Square, London, W1F 9LU United Kingdom	100%	100%
Sony Pictures Television Production Egypt SAE	Egypt	(3A) Suleiman El Halabi Street, El Tawfikia – El Azbakeya, Down Town Cairo Egypt	100%	100%
Sony Pictures Television Production Lebanon SAL	Lebanon	Floor 7, Azar Building, Dimitri Hayek Street, SIN EL-FIL, Horch Tabet, Matn, LEBANON Lebanon	96%	96%
IBCC Films Inc	USA	10202 Washington Blvd, Culver City, California 90232-3119, United States USA	100%	100%
Sony Pictures Television Arabia FZ-LLC	United Arab Emirates	Dubai Media City, Loft Office 2, Entrance C, Office 407, Dubai United Arab Emirates	100%	100%
Lost Lambs Productions UK Limited	United Kingdom	25 Golden Square, London, W1F 9LU United Kingdom	100%	100%
Waveland Pictures Limited	United Kingdom	25 Golden Square, London, W1F 9LU United Kingdom	100%	100%
Sony Pictures Television Deutschland Gmbh	Germany	Liebigstraße 22, 80538 München Germany	100%	100%

16 Investments (continued)

Name of indirect subsidiary undertakings	Country of incorporation	Registered office	Proportion of ownership interest and voting rights held 2021	2020
2waytraffic UK Limited	United Kingdom	12th Floor, Brunel Building, 2 Canalside Walk, London, United Kingdom, W2 1DG United Kingdom	100%	100%
Dori TV Limited	Israel	Raoul Wallenberg St 2, Tel Aviv-Yafo, 6971901 Israel	50%	50%
Sony Pictures Home Entertainment SRL	Italy	Via Contalupo In Sabina, 29, Roma, 00191 Italy	100%	100%
Toro Media SRL	Italy	Via Enrico Tazzoli, 6, 00195 Roma RM Italy	100%	100%
Talpa Italia SRL	Italy	VIA ENRICO TAZZOLI 6 ROMA, Rm 00195 Italy	50%	50%
Sony Pictures Television Production (France) SAS	France	3 rue la Boëtie, 75008 Paris France	100%	100%
Tiroc SAS	France	3 rue la Boëtie, 75008 Paris, France France	95.1%	95.1%
Starling SARL	France	14 Rue Maublanc, Paris, Ile-de-france 75015 France	100%	100%
Sony DADC France S.A.S	France	117 AV Victor Hugo, 92100 Boulogne, Billancourt France	100%	100%
Pegasus Television S.A.S	France	53 rue Boissiere, 75116 Paris France	33%	33%
Sony Pictures Home Entertainment (France)	France	25 Quai Gallieni, 92150 Suresnes France	100%	100%
Alor SARL	France	4 Rue du 19 Mars 1962, 38300, Bourgoin Jallieu France	11%	11%

16 Investments (continued)

Name of indirect subsidiary undertakings	Country of incorporation	Registered office	Proportion of ownership interest and voting rights held 2021	2020
Beteiligungsgesellschaft Sony Entertainment GmbH	Germany	Kemperplatz 1, 10785 Berlin Germany	100%	100%
Deutsche Columbia Pictures Filmproduktion GmbH	Germany	Kemperplatz 1, 10785 Berlin Germany	100%	100%
Global Entertainment Productions Verwaltungs GmbH	Germany	Kemperplatz 1, 10785 Berlin Germany	100%	100%
Sony Pictures Film und Fernsehproduktions GmbH	Germany	Gustav-Heinemann-Ufer 54, 50968 Köln Germany	100%	100%
SPE Music Germany GmbH	Germany	Kemperplatz 1, 10785 Berlin Germany	100%	100%
Global Entertainment Productions GmbH & Co. Film KG	Germany	Kemperplatz 1, 10785 Berlin Germany	100%	100%
Global Entertainment Productions GmbH & Co. KG	Germany	Kemperplatz 1, 10785 Berlin	100%	100%
Global Entertainment Productions GmbH & Co.Medien KG	Germany	Kemperplatz 1, 10785 Berlin	100%	100%
Global Entertainment Productions GmbH & Co. Movie KG	Germany	Dianastr. 44, 14482 Potsdam	100%	100%
Newco11 S.r.l.	Italy	Via Cantalupo in Sabina, 29, 191, Roma, Italy	100%	100%
Chili S.p.A	Italy	Via Colico 21, 20158 Milan, Italy	0.73%	0.73%
Left Bank Media Ltd	United Kingdom	27-28 Eastcastle Street, London, United Kingdom, W1W 8DH	60%	60%

17 Inventories

	2021 £ 000	2020 £ 000
Finished goods and goods for resale	1,300	984

The cost of inventories recognised as an expense in the year amounted to £Nil (2020: £883,774). This is included within cost of sales.

18 Trade and other receivables

	2021 £ 000	2020 £ 000
Trade receivables	150,744	280,949
Receivables from related parties	269,436	446,022
Prepayments	2,735	4,647
Other receivables	3,118	5,937
	426,033	737,555

Amounts due from related parties are unsecured, interest free and are payable on demand.
Trade receivables and receivables from related parties are stated after expected credit losses £nil (2020: £nil).

The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

19 Cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank	3,835	5,801
Other cash and cash equivalents	155,871	169,943
	159,706	175,744

Included within cash and cash equivalents are short-term deposits with related parties that represents deposits with Sony Global Treasury Services plc which are accessible on demand. There is a sweep arrangement in place between the company's bank account and the short term deposit account with Sony Global Treasury Services plc.

20 Called up share capital

Allotted, called up and fully paid shares

	2021		2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	25	25	25	25

21 Reserves

Share premium account

Share premium represents premium paid in relation to the issued and paid up share capital. On 20 March 2020 the Company allotted one ordinary share with a value of £1 to Sony Pictures Entertainment Inc. for a total consideration of $150 million.

Other reserves

Other reserves represents a write down to merger reserves and is the difference between the book value and fair value of the Company's investment in Sony Pictures UK Rights Limited, acquired from Sony Pictures Entertainment Benelux B.V. on 2 April 2016 as an asset of CILL Holdings Limited, and the difference between the book value and fair value of the Company's investment in CSC Media Group Limited, acquired on 1 April 2018 as an asset of Step Topco Limited.

Retained earnings

The account represents the cumulative profits or losses, net of dividends paid and other adjustments.

22 Loans and borrowings

	2021 £ 000	2020 £ 000
Non-current loans and borrowings		
Amounts owed to related parties - long term loans	50,000	76,609

	2021 £ 000	2020 £ 000
Current loans and borrowings		
Bank borrowings	78,214	-

Amounts owed to related parties represent loans with Sony Global Treasury Services Plc and have an applicable interest rate of 1.36 % per annum above LIBOR and are repayable by June 2022.

23 Leases

Leases included in creditors

	2021 £ 000	2020 £ 000
Current portion of long term lease liabilities	2,111	5,102
Long term lease liabilities	56,885	58,975

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	2021 £ 000	2020 £ 000
Less than one year	3,258	2,432
2 years	3,258	2,432
3 years	3,258	2,432
4 years	4,311	3,068
5 years	5,758	4,932
6 years	5,758	4,932
7 years	5,758	4,932
8 years	5,758	4,932
9 years	5,860	5,011
10 years	5,894	5,068
Between 10 to 15 years	19,157	17,316
Total lease liabilities (undiscounted)	68,028	57,487

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	2021 £ 000	2020 £ 000
Right of use assets	7,372	6,617
Interest	1,197	733
Total cash outflow	8,569	7,350

24 Trade and other payables

	2021 £ 000	2020 £ 000
Trade payables	6,410	20,611
Accrued expenses	13,695	50,240
Amounts due to related parties	361,576	746,524
Social security and other taxes	903	895
Other payables	7,849	12,302
	390,433	830,572

Amounts due to related parties are unsecured, interest free and are repayable on demand.

25 Pension and other schemes

Defined benefit pension schemes

The Company sponsors the Columbia Pictures Corporation Limited Staff Pension & Life Assurance Scheme ("the Scheme"), a funded defined benefit pension scheme in the UK. The Scheme is set up on a tax relieved basis as a separate trust independent of the Company and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that Scheme assets are appropriately invested.

The Scheme provides pensions and lump sums to members on retirement and to their dependants on death. Members who leave service before retirement are entitled to a deferred pension. The Scheme closed to accrual on 1 June 2013, but a small group of members who remain employed by the Company have benefits linked to their salary.

Risks

Investment risk
The plan liabilities for asset volatility are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.
A significant proportion of the Company's scheme assets are invested in equity instruments and LDI funds. If these funds underperform, this will increase the deficit however, the general approach to the LDI funds consists of minimising and managing liability risk by generating asset returns.

Inflation risk
Some of the Company's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy risk
The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

Risk exposure

Through its defined benefit pension plans and post-employment medical plans, the Company is exposed to a number of risks, the most significant risks explained above.
The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets in 2021 consists of equity instruments and LDI funds. The Company believes that equities and LDI funds offer the best returns over the long term with an acceptable level of risk.

The Company agreed to contribute a lump sum of £833,000 in respect of the period 1 July 2017 to 30 June 2018 and £1,700,000 per annum, payable in equal quarterly instalments, for the period covering 1 July 2018 to 31 March 2020, and £1,950,000 for the period covering 1 April 2020 to 31 March 2021, and in respect of the period 1 April 2021 until 30 June 2022, contributions of £1,650,000 per annum, to cover the deficit in the Scheme. In addition, the Company agreed to contribute a lump sum of £150,000 in respect of the period 1 July 2017 to 30 June 2018, £250,000 per annum, payable in equal quarterly instalments, for the period covering 1 July 2018 to 30 June 2020, and £300,000 for the period 1 July 2020 to 30 April 2026, to cover Scheme expenses.

25 Pension and other schemes (continued)

The Scheme is subject to regular actuarial valuations, which are usually carried out every three years. The next actuarial valuation is due to be carried out with an effective date of 30 June 2023. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include deliberate margins for prudence. This contrasts with these accounting disclosures, which are determined using best estimate assumptions.

A formal actuarial valuation was last carried out as at 30 June 2020. The results of that valuation have been projected to 31 March 2021 by a qualified independent actuary.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2021 £ 000	2020 £ 000
Fair value of scheme assets	77,600	72,351
Present value of defined benefit obligation	(76,209)	(65,655)
Defined benefit pension scheme surplus	1,391	6,696

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2021 £ 000	2020 £ 000
Fair value at start of year	72,351	71,314
Interest income	1,612	1,722
Return on plan assets, excluding amounts included in interest income	5,081	(1,529)
Employer contributions	1,950	1,950
Benefits paid	(3,055)	(782)
Administration expense	(339)	(324)
Fair value at end of year	77,600	72,351

Analysis of assets

The major categories of scheme assets are as follows:

	2021 £ 000	2020 £ 000
Cash and cash equivalents	1,180	1,540
Equity instruments	20,151	17,074
Absolute return fund	15,912	11,702
Bonds	4,106	3,765
Annuities in payment	6,944	6,898
Investment funds	29,307	31,372
	77,600	72,351

25 Pension and other schemes (continued)

Actual return on scheme's assets

	2021 £ 000	2020 £ 000
Actual return on scheme assets	6,693	3,589

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2021 £ 000	2020 £ 000
Present value at start of year	65,655	71,764
Actuarial gains and losses arising from changes in demographic assumptions	1,633	-
Actuarial gains and losses	12,855	(6,382)
Actuarial gains and losses arising from experience adjustments	(2,322)	(658)
Interest cost	1,443	1,713
Benefits paid	(3,055)	(782)
Present value at end of year	76,209	65,655

Active/Deferred/Retired members;
As at the last valuation date, the present value of the defined benefit obligation included approximately £996k (2020 - £3,072k) relating to active employees, £60,836k (2020 - £62,861k) relating to deferred members and £14,377k (2020 - £9,743k) relating to members in retirement.

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	2021 %	2020 %
Rates of increase in salaries	4.60	3.90
Discount rate (%)	2.05	2.25
Rate of increase in pensions payment (on benefits accrued after 5 April 1997) (%)	3.00	2.40
Rate of increase in deferred pensions before retirement (%)	2.45	1.50
Inflation assumption (%) - RPI	3.10	2.40
Inflation assumption (%) - CPI	2.45	1.50

25 Pension and other schemes (continued)

Post retirement mortality assumptions

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	23.40	22.00
Current UK pensioners at retirement age - female	25.00	24.00
Future UK pensioners at retirement age - male	24.70	23.70
Future UK pensioners at retirement age - female	26.50	25.80

Amounts recognised in the income statement

	2021 £ 000	2020 £ 000
Amounts recognised in operating profit		
Administrative expenses paid	339	324
Amounts recognised in finance income or costs		
Net interest	(169)	(9)
Total recognised in the income statement	170	315

Amounts taken to the Statement of Comprehensive Income

	2021 £ 000	2020 £ 000
Actuarial losses and (gains) arising from changes in demographic assumptions	1,633	(658)
Actuarial losses and (gains) arising from changes in financial assumptions	12,855	(6,382)
Actuarial (gains) arising from experience adjustments	(2,322)	-
Return on plan assets, excluding amounts included in interest expense	(5,081)	1,529
Amounts recognised in the Statement of Comprehensive Income	7,085	(5,511)

25 Pension and other schemes (continued)

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

		2021			2020	
Adjustment to discount rate	**+ 0.1%**	**0.0%**	**- 0.1%**	**+ 0.1%**	**0.0%**	**- 0.1%**
	£ 000	**£ 000**	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Change in assumption	77,779	76,209	74,502	64,293	65,655	67,058

		2021			2020	
Adjustment to rate of inflation	**+ 0.1%**	**0.0%**	**- 0.1%**	**+ 0.1%**	**0.0%**	**- 0.1%**
	£ 000	**£ 000**	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Change in assumption	78,046	76,209	74,388	66,759	65,655	64,579

		2021			2020	
Adjustment to mortality age rating assumption	**+ 1 Year**	**None**	**- 1 Year**	**+ 1 Year**	**None**	**- 1 Year**
	£ 000	**£ 000**	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Change in assumption	77,619	76,209	74,952	67,978	65,655	63,297

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

26 Dividends

During the year the following dividends were received:

Sony Pictures Television Central Europe kft. paid a dividend to the Company in amount of £11,579,016 (2020: £nil)
SPE Benelux B.V. paid a dividend to the Company in amount of £29,127,019 (2020: £nil)
Sony Pictures Television UK Rights Limited paid a dividend to the Company in amount of £15,000,000 (2020: £nil)
Stellify Media (NI) Limited paid a dividend to the Company in amount of £650,000 (2020 : £104,081)
Filmbank Distribution paid a dividend to the Company in amount of £367,000 (2020: £nil)
Novebox paid a dividend to the Company in amount of £165,760 (2020: £nil)
StepTopco Limited did not pay a dividend to the Company (2020: £43,286,032)
Rocks and Co. Limited did not pay a dividend to the Company (2020: £258,351)
Sony Pictures Filmverleich did not pay a dividend to the Company(2020: £604,058)

27 Controlling party

The Company is a wholly owned subsidiary of Sony Pictures Entertainment Inc. a company incorporated in the United States of America.

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

28 Assets in disposal groups classified as held for sale

At the end of November 2020, management decided to sell Company's UK TV Network activity. This decision was taken in line with the SPE Group strategy to move out of this area of business. Consequently, all assets and liabilities associated with this activity were classified as held for sale.

The sales and purchase agreement was signed in November 2020, and the structure of the carve-out deal consisted of the trading assets of two entities, Columbia Pictures Corporation Limited and SPE Networks Holding EMEA LLC, of which CPCL has the main part of the trade. The transfer of the business to the company under the hive down agreement, Crown 11 Ltd took place on 30th March 2021. On 14 May 2021, the UK TV Network business was sold to Narrative Global Limited for a total consideration of $972,000 in cash. The sales transaction resulted in a loss of £ 5,806,605.

The carrying amount of assets and liabilities in the disposal group may be analysed as follows:

	2021 **£ 000**
Fixed Assets	10
Current Assets	679
	689

29 Post balance sheet events

On 30th September 2021, Columbia Pictures Corporation Limited sold its TV Network business assets in Central Europe to The Antenna Company International N.V and received consideration in cash of €1,544,000.

On 17th September 2021, Columbia Pictures Corporation Limited sold 50% of its interest in Novebox AG to Dori Media International GmbH.

On 1st December, Columbia Pictures Corporation Limited loaned Sony Pictures Television Production Limited £43,781,595 to fund the acquisition of the production company Bad Wolf Limited.