Registered number: 04757516

# ABS-CBN EUROPE LIMITED

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

SATURDAY
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A04 17/06/2023 #103
COMPANIES HOUSE

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | L J C Bariuan Jr<br>J A A Garcia<br>R L Lopez |
| **Company secretary** | L J C Bariuan Jr |
| **Registered number** | 04757516 |
| **Registered office** | ABS-CBN Europe Limited<br>239 Kensington High Street<br>Suite 344<br>London<br>W8 6SN |
| **Independent auditors** | MHA<br>6th Floor<br>2 London Wall Place<br>Barbican<br>London<br>EC2Y 5AU |

ABS-CBN EUROPE LIMITED

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# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2022

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

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Directors**

The directors who served during the year were:

L J C Bariuan Jr
J A A Garcia
R L Lopez

**Qualifying third party indemnity provisions**

The Company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Such qualifying third-party indemnity provisions for the benefit of the Company's directors remain in force at the date of this report.

**Disclosure of information to auditors**

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

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

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

### Auditors

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

### Small companies note

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

This report was approved by the board on 24 May 2023 and signed on its behalf.

.....
**J A A Garcia**
Director

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABS-CBN EUROPE LIMITED

### Opinion

We have audited the financial statements of ABS-CBN EUROPE LIMITED (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**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:

- Detailed review of journals and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing account estimates for bias.
- Enquiry of management around actual and potential litigation claims.
- Substantive Testing to ensure accuracy for key financial statement areas.
- Analytical procedures to highlight any unexpected discrepancies.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABS-CBN EUROPE LIMITED (CONTINUED)

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Stern FCA (Senior Statutory Auditor)

for and on behalf of
**MHA, Statutory Auditor**

London, United Kingdom

Date: 15 June 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 £ | 2021 £ |
|---|---|---|---|
| Turnover | 4 | **2,002,115** | *1,695,763* |
| Cost of sales | | **(820,647)** | *(768,028)* |
| **Gross profit** | | **1,181,468** | *927,735* |
| Administrative expenses | | **(823,392)** | *(1,019,426)* |
| Other operating income | | **3,303** | *335,346* |
| **Operating profit** | | **361,379** | *243,655* |
| Amounts written off investments | | **(97,679)** | - |
| Interest payable and similar expenses | | **(4,691)** | *(4,729)* |
| **Profit before tax** | | **259,009** | *238,926* |
| **Profit for the financial year** | | **259,009** | *238,926* |
| **Other comprehensive income:** | | | |
| **Items that will not be reclassified to profit or loss:** | | | |
| Exchange differences in retranslation of foreign branch | | **224,506** | *141,570* |
| **Total comprehensive income for the year** | | **483,515** | *380,496* |

The notes on pages 11 to 26 form part of these financial statements.

**ABS-CBN EUROPE LIMITED**
**REGISTERED NUMBER: 04757516**

## BALANCE SHEET
## AS AT 31 DECEMBER 2022

| | Note | | 2022 £ | | 2021 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 9 | | **6,924** | | *8,438* |
| Tangible assets | 10 | | **2,482** | | *3,136* |
| Investment in shares of stock | 11 | | **2,661** | | *100,340* |
| | | | **12,067** | | *111,914* |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 12 | **3,867,874** | | *3,470,040* | |
| Cash at bank and in hand | 13 | **787,233** | | *619,859* | |
| | | **4,655,107** | | *4,089,899* | |
| Creditors: amounts falling due within one year | 14 | **(1,275,649)** | | *(1,293,803)* | |
| **Net current assets** | | | **3,379,458** | | *2,796,096* |
| **Total assets less current liabilities** | | | **3,391,525** | | *2,908,010* |
| **Net assets** | | | **3,391,525** | | *2,908,010* |
| **Net assets** | | | **3,391,525** | | *2,908,010* |
| **Capital and reserves** | | | | | |
| Called up share capital | 16 | | **5,050,000** | | *5,050,000* |
| Share premium account | 17 | | **6,283,499** | | *6,283,499* |
| Foreign exchange reserve | 17 | | **(959,512)** | | *(1,184,018)* |
| Profit and loss account | 17 | | **(6,982,462)** | | *(7,241,471)* |
| | | | **3,391,525** | | *2,908,010* |

## BALANCE SHEET (CONTINUED)
## AS AT 31 DECEMBER 2022

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2023

.....
**J A A Garcia**
Director

The notes on pages 11 to 26 form part of these financial statements.

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

| | Called up share capital | Share premium account | Foreign exchange reserve | Profit and loss account | Total equity |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **At 1 January 2021** | **5,050,000** | **6,283,499** | **(1,325,588)** | **(7,480,397)** | **2,527,514** |
| **Comprehensive income for the year** | | | | | |
| Profit for the year | - | - | - | **238,926** | **238,926** |
| Exchange differences in retranslation of foreign branch | - | - | **141,570** | - | **141,570** |
| **Total comprehensive income for the year** | - | - | **141,570** | **238,926** | **380,496** |
| **At 1 January 2022** | **5,050,000** | **6,283,499** | **(1,184,018)** | **(7,241,471)** | **2,908,010** |
| **Comprehensive income for the year** | | | | | |
| Profit for the year | - | - | - | **259,009** | **259,009** |
| Exchange differences in retranslation of foreign branch | - | - | **224,506** | - | **224,506** |
| **Total comprehensive income for the year** | - | - | **224,506** | **259,009** | **483,515** |
| **At 31 December 2022** | **5,050,000** | **6,283,499** | **(959,512)** | **(6,982,462)** | **3,391,525** |

The notes on pages 11 to 26 form part of these financial statements.

## 1. General information

ABS-CBN Europe Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 04757516). The registered office address is 239 Kensington High Street, Suite 344, London, W8 6SN.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of ABS-CBN Corporation as at 31 December 2022 and these financial statements may be obtained from the ABS-CBN Corporation wesbite at www.ABS-CBN.com.

### 2.3 Going concern

The financial statements have been prepared on a going concern basis.

## 2. Accounting policies (continued)

### 2.4 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. Foreign exchange gains or losses arising from the retranslation of overseas branches are recognised in the 'foreign exchange reserve'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

## 2. Accounting policies (continued)

### 2.5 Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation is satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements because it typically controls the services before transferring them to the customers and no adjustments were required upon adoption of IFRS 15.

Subscription revenue is invoiced on either a monthly or annual basis, with a complete months revenue being recognised in the month in which the contract commenced. Revenue invoiced annually is deferred and amortised on a monthly basis.

On contracts to provide services where the Company has partially performed its contractual obligations, it recognises revenue to the extent that it has obtained the right to consideration through its performance.

Advertising revenue is recognised as income at a point in time on the dates the advertisements are aired, net of agency commissions and incentives.

Sale of goods is recognised when delivery has taken place and control has been transferred.

Sponsorship income is recognised at the point in time the sponsorship takes place at the fair value of the sponsorship received or receivable.

Gate receipts are recognised when tickets are used or expired.

### 2.6 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

## 2. Accounting policies (continued)

### 2.6 Leases (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.11.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

### 2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.9 Pensions

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

## 2. Accounting policies (continued)

### 2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

| | | | |
|---|---|---|---|
| Trademarks | - | 10 | years |

### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

Depreciation is provided on the following basis:

| | |
|---|---|
| Improvements to property | - Lease term or useful life of over 5 years, whichever is shorter |
| Motor vehicles | - Over 5 years |
| Fixtures and fittings | - Over 3 years |
| Computer equipment | - Over 5 years |
| Right-of-use asset | - Over lease term |

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 profit or loss.

### 2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## 2. Accounting policies (continued)

### 2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.15 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.16 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Impairment of financial assets**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

## 2. Accounting policies (continued)

### 2.16 Financial instruments (continued)

**Financial liabilities**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

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

The directors consider that the key sources of estimation uncertainty in preparing the financial statements are:

**Estimating allowance for doubtful debts**

a) Definition of default and credit-impaired financial assets:
Upon adoption of IFRS 9, the Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

1) Quantitative criteria - The borrow is generally more than 90 days past due on its contractual payments, which is consistent with the Company's definition of default.
2) Qualitative criteria - The borrow meets unlikeliness to pay criteria, which indicates the borrow is in significant financial difficult. These are instances where:
   i. The borrower is experiencing financial difficult or is insolvent;
   ii. The borrow is in breach of financial covenant(s); or
   iii. It is becoming probable that the borrow will enter bankruptcy or other financialreorganisation

b) Simplified approach for trade and other debtors:
The Company uses a provision matrix to calculate expected credit losses ("ECLs") for trade and other debtors. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changed in the forward-looking estimates are analysed.

The assessment of the correlation between historical and observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

**Discount rate - IFRS 16**

Leases are discounted using the Company's incremental borrowing rate as at 1 January 2019. The Company's borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate was estimated to be 3.75%.

## 4. Turnover

An analysis of turnover by class of business is as follows:

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Subscription | **1,210,406** | *1,077,972* |
| Advertising | **277,888** | *470,353* |
| Gate receipts | **106,734** | *39,672* |
| Sale of goods | **1,762** | *707* |
| Service fees | **10,080** | - |
| Other | **395,245** | *107,059* |
| | **2,002,115** | *1,695,763* |

## 5. Auditors' remuneration

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | **16,100** | *15,750* |

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

## 6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

| | 2022<br>No. | 2021<br>No. |
|---|---|---|
| Employees | **5** | *5* |

## 7. Directors' remuneration

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| Directors' emoluments | **125,697** | *134,034* |
| Company contributions to defined contribution pension schemes | **14,596** | *12,032* |
| | **140,293** | *146,066* |

During the year retirement benefits were accruing to 1 director *(2021 - 1)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £140,293 *(2021 - £146,066)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14,596 *(2021 - £12,032)*.

## 8. Taxation

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| **Total current tax** | - | - |
| **Deferred tax** | | |
| **Total deferred tax** | - | - |
| **Taxation on profit on ordinary activities** | - | - |

## 8. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021 - lower than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

| | **2022** | *2021* |
|---|---|---|
| | **£** | *£* |
| Profit on ordinary activities before tax | **259,009** | *238,926* |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | **49,212** | *45,396* |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | **902** | *10,544* |
| Capital allowances for year in excess of depreciation | **(1,501)** | *2,723* |
| Changes in provisions leading to an increase (decrease) in the tax charge | **-** | *(6,874)* |
| Amounts not recognised | **(48,613)** | *(51,789)* |
| **Total tax charge for the year** | **-** | *-* |

### Factors that may affect future tax charges

From 1 April 2023 the corporation tax main rate will rise to 25% from 19% for profits exceeding £250,000. A small profits rate of 19% will be applied to profits up to £50,000, with a marginal relief providing a gradual increase in the corporation tax rate for profits between £50,000 and £250,000.

## 9. Intangible assets

| | Trademarks £ |
|---|---|
| **Cost** | |
| At 1 January 2022 | **11,311** |
| At 31 December 2022 | **11,311** |
| **Amortisation** | |
| At 1 January 2022 | **2,873** |
| Charge for the year on owned assets | **1,514** |
| At 31 December 2022 | **4,387** |
| **Net book value** | |
| At 31 December 2022 | **6,924** |
| *At 31 December 2021* | *8,438* |

## 10. Tangible fixed assets

| | Computer equipment £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 2022 | **21,872** |
| Additions | **1,388** |
| Disposals | **(1,190)** |
| At 31 December 2022 | **22,070** |
| **Depreciation** | |
| At 1 January 2022 | **18,736** |
| Charge for the year on owned assets | **2,042** |
| Disposals | **(1,190)** |
| At 31 December 2022 | **19,588** |
| **Net book value** | |
| At 31 December 2022 | **2,482** |
| *At 31 December 2021* | *3,136* |

## 11. Investment in shares of stock

| | Investment in shares of stock £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 2022 | **2,141,607** |
| Disposals | **(1,216,000)** |
| At 31 December 2022 | **925,607** |
| **Impairment** | |
| At 1 January 2022 | **2,041,267** |
| Charge for the period | **97,679** |
| Disposals | **(1,216,000)** |
| At 31 December 2022 | **922,946** |
| **Net book value** | |
| At 31 December 2022 | **2,661** |
| *At 31 December 2021* | *100,340* |

## 12. Debtors

| | 2022 £ | *2021 £* |
|---|---|---|
| Trade debtors | **238,852** | *114,113* |
| Amounts owed by group undertakings | **3,615,466** | *3,344,466* |
| Other debtors | **5,677** | *4,068* |
| Prepayments and accrued income | **7,879** | *7,393* |
| | **3,867,874** | *3,470,040* |

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment terms.

## 13. Cash and cash equivalents

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Cash at bank and in hand | **787,233** | *619,859* |
| | **787,233** | *619,859* |

## 14. Creditors: Amounts falling due within one year

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Trade creditors | **90,152** | *105,564* |
| Amounts owed to group undertakings | **791,461** | *696,156* |
| Corporation tax | **-** | *13,619* |
| Other taxation and social security | **78,976** | *33,747* |
| Other creditors | **108** | *34,720* |
| Accruals and deferred income | **314,952** | *409,997* |
| | **1,275,649** | *1,293,803* |

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment terms.

## 15. Leases

### Company as a lessee

Short-term and low value leases
A practical expedient offered by IFRS 16 has been applied to not recognise a lease liability and right of use asset for such leases but to recognised payments on a straight-line basis over the lease term. Such leases are considered to either have a lease term of no more than 12 months or an underlying asset value of no more than £4,500.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Interest expense on lease liabilities | **-** | *167* |
| Expenses relating to short-term leases | **4,460** | *9,438* |

## 16. Share capital

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 5,050,000 *(2021 - 5,050,000)* Ordinary shares of £1.00 each | **5,050,000** | *5,050,000* |

## 17. Reserves

**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

**Foreign exchange reserve**

The foreign exchange reserve represents the cumulative movements in foreign exchange.

**Profit and loss account**

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

## 18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £34,320 (2021 - £34,135). Contributions totalling £NIL (2021 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

## 19. Controlling party

The immediate parent undertaking is ABS-CBN Global Limited, a company registered in the Cayman Islands.

The ultimate parent undertaking and controlling party is Lopez, Inc, a company registered in the Philippines.

The largest and smallest group of undertakings for which group accounts for the year ended 31 December 2022 have been drawn up, is that headed by ABS-CBN Corporation, which is a publicly listed entity in the Philippines. Copies of the group accounts are available from the ABS-CBN Corporation website at www.ABS-CBN.com.