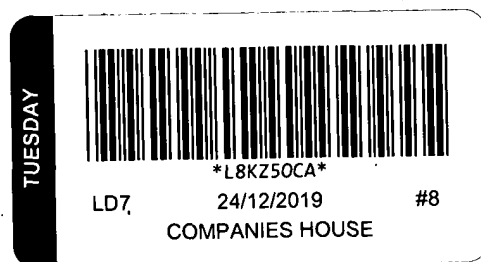


Registration number: 3236308

# Sony Pictures Television Production UK Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2019





## **Sony Pictures Television Production UK Limited**

### **Contents**

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 25

## **Sony Pictures Television Production UK Limited**

### **Company Information**

<b>Directors</b>	R J Parsons
	D N Hopgood
	M R Forrester
	W.F Garvie
	C Lynch
	L McGaughey
<b>Company secretary</b>	D N Hopgood
<b>Registered office</b>	Sony Pictures Europe House 25 Golden Square London W1F 9LU
<b>Auditors</b>	PricewaterhouseCoopers LLP 54 Clarendon Road Watford WD17 1DU

**Sony Pictures Television Production UK Limited**  
**Strategic Report for the Year Ended 31 March 2019**

The directors present their strategic report for the year ended 31 March 2019.

**Principal activity**

The principal activity of the company is to develop, sell and produce television programmes from broadcasters and digital platforms via its subsidiary undertakings.

**Fair review of the business**

The Company has over recent years increased investment in new television production start-ups. There has also been a review and restructure of some existing businesses.

During the year the Company acquired 25% in Eleventh Hour Films limited.

The results of the company show a profit before taxation of £1,942 thousand (2018 profit: £16,787 thousand) for the year and turnover of £Nil (2018 turnover: £Nil).

The Company has net assets of £73,932 thousand (2018 net assets: £72,371 thousand)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

**Principal risks and uncertainties**

The Company is impacted by the general economic environment, competition from other television producers and success of the Company's programming. To mitigate against this risk the company the Company ensures a diversified portfolio of production companies producing a broad range of programming.

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.

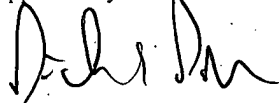
**Strategy**

The Company's overriding objectives is to achieve sustainable results and to ensure that it is exploiting the UK television market by producing a broad range of programmes via the diversified portfolio of investment holdings.

**Financial Risk Management**

The Company's operations expose it to limited financial risks. The Company seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of cash and trade debtors.

Approved by the Board on 19 December 2019 and signed on its behalf by:

  
.....  
R.J. Parsons  
Director

## **Sony Pictures Television Production UK Limited**

### **Directors' Report for the Year Ended 31 March 2019**

The directors present their report and the financial statements for the year ended 31 March 2019.

#### **Directors of the company**

The directors who held office during the year were as follows:

R J Parsons

D N Hopgood - Company secretary and director

C B S Ferman (resigned 11 December 2019)

M R Forrester

W F Garvie

C Lynch

The following director was appointed after the year end:

L McGaughey (appointed 11 December 2019)

#### **Dividends**

The directors do not recommend the payment of a dividend (2018: *£nil*).

#### **Future developments**

The Company's subsidiary undertakings have committed to key programming content deals over the last year which is anticipated to lead future dividend for the Company. The Company will be operational next year after launching a new production label. Production activities starting next year will generate production income for the Company.

#### **Post balance sheet events**

There have been no significant events affecting the company since the year-end.

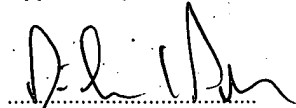
#### **Disclosure of information to the auditors**

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.

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as independent auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 19 December 2019 and signed on its behalf by:



R J Parsons  
Director

## **Sony Pictures Television Production UK Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# ***Independent auditors' report to the members of Sony Pictures Television Production UK Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Sony Pictures Television Production UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Balance Sheet as at 31 March 2019; the profit and loss account, the 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**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

### **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



## ***Independent auditors' report to the members of Sony Pictures Television Production UK Limited (continued)***

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2019 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.

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### **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 set out on page 4, 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.

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](http://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.

# ***Independent auditors' report to the members of Sony Pictures Television Production UK Limited (continued)***

## **Other required reporting**

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### **Companies Act 2006 exception reporting**

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

- we have not received 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.



Matthew Seal (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
19 December 2019

# **Sony Pictures Television Production UK Limited**

## **Profit and Loss Account for the Year Ended 31 March 2019**

	Note	2019 £ 000	2018 £ 000
Administrative expenses		(30)	(8)
Other operating income	5	<u>(59)</u>	<u>141</u>
Operating (loss)/profit		<u>(89)</u>	<u>133</u>
Income from other fixed asset investments	6	-	14,100
Other interest receivable and similar income	7	2,933	4,183
Interest payable and similar expenses	8	<u>(902)</u>	<u>(1,630)</u>
		<u>2,031</u>	<u>16,653</u>
Profit before tax		1,942	16,786
Taxation	11	<u>(381)</u>	<u>(518)</u>
Profit for the financial year		<u><u>1,561</u></u>	<u><u>16,268</u></u>

The above results were derived from continuing operations.

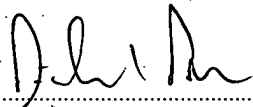
The company has no recognised gains or losses for the year other than the results above.

**Sony Pictures Television Production UK Limited**

**(Registration number: 3236308)  
Balance Sheet as at 31 March 2019**

	Note	2019 £ 000	2018 £ 000
<b>Fixed assets</b>			
Investments	12	73,324	67,105
<b>Current assets</b>			
Stocks	13	21	-
Debtors	14	102,798	77,760
Cash at bank and in hand	15	57	294
		<u>102,876</u>	<u>78,054</u>
<b>Creditors: Amounts falling due within one year</b>	16	<u>(86,628)</u>	<u>(61,567)</u>
<b>Net current assets</b>		<u>16,248</u>	<u>16,487</u>
<b>Total assets less current liabilities</b>		89,572	83,592
<b>Creditors: Amounts falling due after more than one year</b>	16	<u>(15,640)</u>	<u>(11,221)</u>
<b>Net assets</b>		<u>73,932</u>	<u>72,371</u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Share premium reserve	17	61,009	61,009
Profit and loss account	17	12,922	11,361
<b>Total equity</b>		<u>73,932</u>	<u>72,371</u>

Approved and authorised by the Board on 19 December 2019 and signed on its behalf by:

  
.....  
R J Parsons  
Director

**Sony Pictures Television Production UK Limited**

**Statement of Changes in Equity for the Year Ended 31 March 2019**

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 April 2017	1	23,009	(4,907)	18,103
Profit for the year	-	-	16,268	16,268
Total comprehensive income	-	-	16,268	16,268
New share capital subscribed	-	38,000	-	38,000
At 31 March 2018	1	61,009	11,361	72,371
	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 April 2018	1	61,009	11,361	72,371
Profit for the year	-	-	1,561	1,561
Total comprehensive income	-	-	1,561	1,561
At 31 March 2019	1	61,009	12,922	73,932

The notes on pages 11 to 25 form an integral part of these financial statements.

## **Sony Pictures Television Production UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **1 General information**

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

The address of its registered office is:

Sony Pictures Europe House  
25 Golden Square  
London  
W1F 9LU

#### **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.

##### **Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of Sony Corporation.

The financial statements of Sony Corporation may be obtained from Baker & McKenzie, 100 New Bridge Street, London EC4V 6JA.

##### **Group accounts not prepared**

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

##### **Going concern**

The Company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

## **Sony Pictures Television Production UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **2- Accounting policies (continued)**

##### **Foreign currency transactions and balances**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

##### **Tax**

The tax expense for the period 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.

##### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

##### **Investments**

Investment held as fixed assets are shown at cost less provision for impairment.

The company is not required to prepare group financial statements under the exemption allowed by the Companies Act 2006 as it is a wholly owned subsidiary undertaking of an EC parent as detailed in note 20.

##### **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 change in value.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **Sony Pictures Television Production UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Stocks**

Work in progress represents production costs associated to undelivered episodes and is stated at the lower of cost and net realisable value. This is held on the balance sheet until successfully delivery of a project.

Development costs relating to programmes that have not been commissioned, or where recovery of the costs is not expected over the life of the production, are charged to the profit and loss account when incurred.

Production costs relating to programmes that have been commissioned, or where recovery of the costs is expected over the life of the production are deferred during the period of production and are released over the period in which the production is expected to generate revenue. Where costs are not deemed recoverable, a provision is made against these amounts and charged to the profit and loss account.

##### **Trade creditors**

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

##### **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.

##### **Dividends**

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



## **Sony Pictures Television Production UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **2. Accounting policies (continued)**

##### **Financial instruments**

##### ***Recognition and measurement***

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments, subject to the exemptions taken on set out on page 11.

##### **i) Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

##### **ii) Financial Liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is financial instruments (continued) measured at the present value of the future receipts discounted at a market rate of interest.

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

The fair value of financial liabilities arising from put options is calculated based on the discounted probability-adjusted expected value of the consideration that will be exchanged if the options are exercised.

##### **iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **3 Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

## Sony Pictures Television Production UK Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

#### 4 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates are associated assumptions based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying value of assets and liabilities that are not readily apparent from the other sources.

The directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The directors do not believe that there is a significant risk which would lead to material adjustments to the carrying value of any assets and liabilities in the next financial year due to the changes on the estimates or assumptions.

The fair values of financial assets and liabilities are based on prices available from the market on which the instruments are traded. Where market values are not available, the fair values of financial assets and liabilities have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values of short-term deposits, trade receivables, overdrafts and payables are assumed to approximate to their book values.

#### 5 Other operating income

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

	2019 £ 000	2018 £ 000
Other Operating Income	-	1
Foregin exchange (loss)/gain	(59)	140
	<u>(59)</u>	<u>141</u>

#### 6 Income from Other Fixed Asset Investments

	2019 £ 000	2018 £ 000
Dividend income	-	14,100

#### 7 Other interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest income on financial assets	2,932	4,179
Interest income on bank deposits	1	4
	<u>2,933</u>	<u>4,183</u>

## Sony Pictures Television Production UK Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

#### 8 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on bank overdrafts and borrowings	304	21
Interest expense on other finance liabilities	598	1,609
	<u>902</u>	<u>1,630</u>

#### 9 Staff costs

The directors received no emoluments in respect of their services to the Company (2018: £nil). There are 6 directors who were remunerated by other group companies and the amounts received in respect of their services to this Company cannot be calculated.

The average number of employees in the year was nil (2018: £nil).

#### 10 Auditors' remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	<u>27</u>	<u>7</u>

## Sony Pictures Television Production UK Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

#### 11 Taxation

Tax charged/(credited) in the income statement

	2019 £ 000	2018 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>381</u>	<u>518</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before tax	<u>1,942</u>	<u>16,786</u>
Corporation tax at standard rate	369	3,189
Effect of revenues exempt from taxation	-	(2,679)
Deferred tax expense from unrecognised temporary difference from a prior period	<u>12</u>	<u>8</u>
Total tax charge	<u>381</u>	<u>518</u>

The tax rate for the current year and prior year is 19%. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

# Sony Pictures Television Production UK Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

### 12 Investments

	2019 £ 000	2018 £ 000
Investments in subsidiaries	69,774	65,355
Investments in associates	3,550	1,750
	<u>73,324</u>	<u>67,105</u>
<b>Subsidiaries</b>		£ 000
<b>Cost or valuation</b>		
At 1 April 2018		68,862
Revaluation		4,419
At 31 March 2019		<u>73,281</u>
<b>Impairment</b>		
At 1 April 2018		<u>3,507</u>
At 31 March 2019		<u>3,507</u>
<b>Carrying amount</b>		
At 31 March 2019		<u>69,774</u>
At 31 March 2018		<u>65,355</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets and net present value of future cashflows.

During the year the fair value of put options increased by £4,419,249.

<b>Associates</b>	£ 000
<b>Cost</b>	
At 1 April 2018	1,750
Additions	1,800
At 31 March 2019	<u>3,550</u>
<b>Impairment</b>	
At 1 April 2018	-
At 31 March 2019	-
<b>Carrying amount</b>	
At 31 March 2019	<u>3,550</u>
At 31 March 2018	<u>1,750</u>

## Sony Pictures Television Production UK Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

#### 12 Investments (continued)

The directors believe that the carrying value of the investments is supported by their underlying net assets.

During the year the Company acquired 25% in Eleventh Hour Films Limited for the amount of £1,800,000.

#### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Left Bank Pictures Limited	27/28 Eastcastle Street, London, W1W 8DH	Ordinary A shares	51%	51%
		Ordinary B shares	29.04%	29.04%
		Ordinary C shares	4%	4%
Holliston Productions Limited	1 More London Place, London, W1W 8DH	Ordinary shares	100%	100%
Sony Pictures Television Production Egypt SAE	(3A) Suleiman El Halabi Street, El Tawfikia - El Azbakeya, Down Town Cairo Egypt	Ordinary shares	1%	1%
Left Bank Media Limited	27/28 Eastcastle Street, London, W1W 8DH	Ordinary shares	60%	60%
Indirect subsidiary				
Left Bank Pictures (Film) Ltd	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Television) Ltd	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures Film (The Divided Heart) Ltd	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (DCI Banks) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Ganglands) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Mad Dogs) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%

## Sony Pictures Television Production UK Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

#### 12 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
Left Bank Pictures (Mad Dogs 3) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (MSO) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Strike Back) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Strike Back 5) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Wallander) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Zen) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Joyce Hatto) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Ice Cream Girls) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
Left Bank Pictures (Tommy Cooper) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP Outlander Series 2 Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP Lander Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP (The Crown) Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP The Crown Series 2 Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP DCI Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP The Halcyon Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP The Replacement Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP Outlander Series 3 Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP Strike Back 6 Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP Electric Dreams Ltd	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%

## Sony Pictures Television Production UK Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

#### 12 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
LBP Strike Back 7 Ltd	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP Strike Back 8 Ltd	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP Outlander 4 Limited	27/28 Eastcastle Street, London, W1W 8DH		84.04%	84.04%
LBP Outlander 5 Ltd	27/28 Eastcastle Street, London, W1W 8DH		84.04%	0%
LBP The Crown Series 3 Ltd	27/28 Eastcastle Street, London, W1W 8DH		84.04%	0%
LB Media Film Ltd	27/28 Eastcastle Street, London, W1W 8DH		60%	0%
LBP-TV 2 Ltd	27/28 Eastcastle Street, London, W1W 8DH		60%	60%
LBP Book of Strange New Things Limited	27/28 Eastcastle Street, London, W1W 8DH		60%	60%
LBP Origin Ltd	27/28 Eastcastle Street, London, W1W 8DH		60%	60%
LBM White Lines Ltd	27/28 Eastcastle Street, London, W1W 8DH		60%	0%
LBM Behind Her Eyes Ltd	27/28 Eastcastle Street, London, W1W 8DH		60%	0%
<b>Associates</b>				
Fable Pictures Limited	25 Golden Square, London, W1F 9LU	Ordinary Shares	25%	25%
Blueprint Television Limited	43-45 Charlotte Street, London, W1T 1RS	Ordinary shares	20%	20%
Stolen Picture Limited	10 Rathbone Place, London, W1T 1HP	Ordinary shares	25%	25%
Eleventh Hour Films Limited	10 Orange Street, London, WV2H 7DQ	Ordinary	25%	0%

The principal activity of Left Bank Pictures Limited is Production of scripted entertainment shows

The principal activity of Holliston Productions Limited is Television programme production activities

The principal activity of Sony Pictures Television Production Egypt SAE is Television production

The principal activity of Left Bank Media Limited is Television programme production activities

The principal activity of Left Bank Pictures (Film) Ltd is Television programme production activities

The principal activity of Left Bank Pictures (Television) Ltd is Television programming production activities



## **Sony Pictures Television Production UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **12 Investments (continued)**

The principal activity of Left Bank Pictures Film (The Divided Heart) Ltd is Television programme production activities

The principal activity of Left Bank Pictures (DCI Banks) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Ganglands) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Mad Dogs) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Mad Dogs 3) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Strike Back) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Strike Back 5) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Wallander) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Zen) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Joyce Hatto) Limited is Television programme production activities

The principal activity of Left Bank Pictures (Ice Cream Girls) Limited is Motion Picture production activities, Other business support service activities not elsewhere classified

The principal activity of Left Bank Pictures (Tommy Cooper) Limited is Television programme production activities

The principal activity of LBP Outlander Series 2 Limited is Television programme production activities

The principal activity of LBP Lander Limited is Television programme production activities

The principal activity of LBP (The Crown) Limited is Television programme production activities

The principal activity of LBP The Crown Series 2 Limited is Television programme production activities

The principal activity of LBP DCI Limited is Television programme production activities

The principal activity of LBP The Halcyon Limited is Television programme production activities

The principal activity of LBP The Replacement Limited is Television programme production activities

The principal activity of LBP Outlander Series 3 Limited is Television programme production activities

The principal activity of LBP Strike Back 6 Limited is Television programme production activities

The principal activity of LBP Electric Dreams Ltd is Television programme production activities

The principal activity of LBP Strike Back 8 Ltd is Television programme production activities

The principal activity of LBP Outlander 4 Limited is Television programme production activities

The principal activity of LBP Outlander 5 Ltd is Television programme production activities

The principal activity of LBP The Crown Series 3 Ltd is Television programme production activities

The principal activity of LB Media Film Ltd is Motion picture production activities, Television programme production

The principal activity of LBP-TV 2 Ltd is Television programme production activities

## **Sony Pictures Television Production UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)**

#### **12 Investments (continued)**

The principal activity of LBP Book of Strange New Things Limited is Television programme production activities

The principal activity of LBP Origin Ltd is Television programme production activities

The principal activity of LBM White Lines Ltd is Television programme production activities

The principal activity of LBM Behind Her Eyes Ltd is Television programme production activities

The principal activity of Fable Pictures Limited is Television programme production activities

The principal activity of Blueprint Television Limited is Television production

The principal activity of Stolen Picture Limited is Motion picture production activities

The principal activity of Eleventh Hour Films Limited is Motion picture production activities

## Sony Pictures Television Production UK Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

#### 13 Stocks

	2019 £ 000	2018 £ 000
Work in progress	21	-

#### 14 Debtors

	Note	2019 £ 000	2018 £ 000
Amounts owed by related parties	18	101,794	75,825
Other debtors		1,004	1,935
		<u>102,798</u>	<u>77,760</u>

Amounts due from related parties are intercompany loans and have an applicable interest rate between 2% and 5.47% per annum above LIBOR which has been included in the Profit and Loss account for the year to 31 March 2019.

#### 15 Cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank	57	294

#### 16 Creditors

	Note	2019 £ 000	2018 £ 000
<b>Due within one year</b>			
Trade creditors		517	470
Amounts due to related parties	18	85,652	60,471
Accruals		7	7
Income tax liability	11	452	619
		<u>86,628</u>	<u>61,567</u>
<b>Due after one year</b>			
Other non-current financial liabilities	19	15,640	11,221

Amounts owed to related parties due within one year are with Sony Global Treasury Services PLC and have an applicable interest rate between 1.126% and 1.72% per annum which has been included in the Profit and Loss account for the year to 31 March 2019.

## Sony Pictures Television Production UK Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

#### 17 Share capital

##### Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
1,002 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

##### Share premium account

On 26 March 2018, the Company issued one additional share with a nominal value of £1 and a share premium value of £38 million to its sole shareholder Columbia Pictures Corporation Limited.

##### Retained earnings

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

#### 18 Related party transactions

FRS 102 does not require disclosure of 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.

#### 19 Financial instruments

##### Put Options

	2019 £ 000	2018 £ 000
Oldco Class C Option	(5,646)	(5,571)
Oldco Class D	(3,129)	(3,070)
Newco	(6,865)	(2,580)
Total value of Derivatives	<u>(15,640)</u>	<u>(11,221)</u>

£15,640 (2018 - £11,221) thousand is represented by the fair value of a put option granted to the sellers allowing them to sell the remainder of their shares to the company at a date in the future. The fair value of the option is based on the discounted probability-adjusted expected value of the consideration that will be exchanged if this option is exercised.

#### 20 Parent and ultimate parent undertaking

The company's immediate parent is Columbia Pictures Corporation Limited, incorporated in England and Wales.

The ultimate parent is Sony Corporation, incorporated in Japan.

The ultimate controlling party is Sony Corporation.