

Registered number: 3236308

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



SONY PICTURES TELEVISION PRODUCTION UK LIMITED

COMPANY INFORMATION

DIRECTORS

R J Parsons
D N Hopgood
C B S Ferman
M R Forrester
W F Garvie
C Lynch (appointed 30 March 2018)
G K Boone (resigned 30 March 2018)

COMPANY SECRETARY

D N Hopgood

REGISTERED NUMBER

3236308

REGISTERED OFFICE

Sony Pictures Europe House
25 Golden Square
London
W1F 9LU

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
10 Bricker Road
St. Albans
AL1 3JX

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

CONTENTS

	Page(s)
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statements of Changes in Equity	9
Notes to the Financial Statements	10 - 23

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

INTRODUCTION

The directors present their strategic report for the year ended 31 March 2018.

BUSINESS REVIEW

The Company is an investment holding company and the principal activity of its subsidiary undertakings is to develop, sell and produce television programmes for broadcasters and digital platforms.

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.

The results of the company show a profit before taxation of £16,786 thousand (2017 loss: £2,228 thousand) for the year and turnover of £Nil (2017: £45 thousand).

The Company has net assets of £72,371 thousand (2017 net assets: £18,103 thousand).

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 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.

FINANCIAL KEY PERFORMANCE INDICATORS

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.

FUTURE DEVELOPMENTS

The Company's subsidiary undertakings have committed to key programming content deals over the last year which is anticipated to lead to future dividend income for the Company.

STRATEGY

The Company's overriding objective 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.

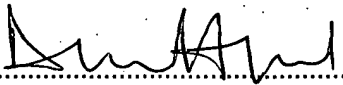
SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

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.

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



D N Hopgood
Director

Date: 8 March 2019

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 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.

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.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to exploit television programming.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £16,268 thousand (2017 - loss £1,812 thousand).

The directors do not recommend the payment of a dividend (2017: £nil).

FINANCIAL RISK MANAGEMENT AND FUTURE DEVELOPMENTS

A review of financial risk and likely future developments is contained in the Strategic report.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were:

R J Parsons
D N Hopgood
C B S Ferman
M R Forrester
W F Garvie
C Lynch (appointed 30 March 2018)
G K Boone (resigned 30 March 2018)

PROVISION OF INFORMATION TO AUDITORS

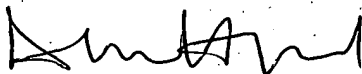
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



D N Hopgood
Director

Date: 8 March 2019

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SONY PICTURES TELEVISION PRODUCTION UK LIMITED

Report on the audit of the financial statements

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 2018 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 2018; the Statement of Comprehensive Income, 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, which is currently due to occur on 29 March 2019, 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 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.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SONY PICTURES TELEVISION PRODUCTION UK LIMITED

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 2018 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 in Respect of the Financial Statements set out on page 3, 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. 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 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.



Robert Girdlestone (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
8 March 2019

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £000	2017 £000
Turnover	5	-	45
Cost of sales		-	(45)
GROSS PROFIT		-	-
Administrative expenses		(8)	(8)
Other operating income	6	141	913
OPERATING PROFIT		133	905
Income from other fixed assets investments	9	14,100	12
Other interest receivable and similar income	10	4,183	3,878
Interest payable and similar expenses		(1,630)	(7,023)
PROFIT/(LOSS) BEFORE TAX		16,786	(2,228)
Tax on profit/(loss)	11	(518)	416
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16,268	(1,812)

The notes on pages 10 to 23 form part of these financial statements.

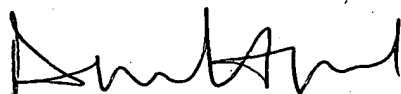
All activities of the Company are continuing.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED
REGISTERED NUMBER: 3236308

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £000	2017 £000
NON-CURRENT ASSETS			
Investments	12	67,105	19,240
		<u>67,105</u>	<u>19,240</u>
CURRENT ASSETS			
Trade and other receivables	13	77,760	78,275
Cash and cash equivalents	14	294	20,828
		<u>78,054</u>	<u>99,103</u>
TOTAL ASSETS		<u><u>145,159</u></u>	<u><u>118,343</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	1	1
Share premium account	15	61,009	23,009
Retained Earnings	15	11,361	(4,907)
TOTAL EQUITY		<u><u>72,371</u></u>	<u><u>18,103</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Derivatives	17	11,221	-
		<u>11,221</u>	<u>-</u>
CURRENT LIABILITIES			
Trade and other payables	16	61,567	100,240
		<u>61,567</u>	<u>100,240</u>
TOTAL LIABILITIES		<u><u>72,788</u></u>	<u><u>100,240</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>145,159</u></u>	<u><u>118,343</u></u>

The financial statements were approved and authorized for issue by the board and were signed on its behalf by:



.....
D N Hopgood
 Director

Date: 8 March 2019

The notes on pages 10 to 23 form part of these financial statements.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Share capital £000	Share premium account £000	Retained Earnings £000	Total equity £000
At 1 April 2016	1	-	(3,095)	(3,094)
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the financial year	-	-	(1,812)	(1,812)
Shares issued during the year	-	23,009	-	23,009
At 1 April 2017	1	23,009	(4,907)	18,103
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the financial year	-	-	16,268	16,268
Shares issued during the year	-	38,000	-	38,000
AT 31 MARCH 2018	1	61,009	11,361	72,371

The notes on pages 10 to 23 form part of these financial statements.

On 26 March 2018, the Company issued one additional share with a nominal value of £1 for the amount of £38,000 thousand to its sole shareholder Columbia Pictures Corporation Limited.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. GENERAL INFORMATION

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

The address of the registered office is given on page Company Information page. The nature of the Company's operations and its principal activities are set out in the Strategic report and Directors' report on pages 1 to 4.

These financial statements are presented in GBP because that is the currency of the primary economic environment in which the Company operates.

2. STATEMENT OF COMPLIANCE

The individual financial statements of Sony Pictures Television Production UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

3.1 Basis of preparation of financial statements

The financial statements are prepared on the going concern basis (see 3.4), under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also 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 in note 4.

Consolidated financial statements

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.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial reporting standard 102 - reduced 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(a)(iv), 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.

This information is included in the consolidated financial statements of Sony Corporation as at 31/03/2018 and these financial statements may be obtained from Baker & McKenzie, 100 NewBridge Street, London EC4V 6JA.

3.3 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

3.4 Going concern

The Company's forecasts 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.

3.5 Turnover

The Company's turnover is derived from international exploitation of television programming and is recognised on delivery of programming to the broadcasters.

3.6 Foreign currencies

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.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Deferred production costs

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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

3.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, bank overdrafts and other short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

In the current year, the Company has adopted to change the presentation of the short-term deposit with related parties as cash equivalents in order to better reflect the nature of the balance as an immediately available cash deposit. 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.

3.9 Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(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 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.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Derivatives fair value methodology used is a discounted cash flow model.

(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

3.10 Investments

Investments 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 19.

3.11 Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In relation to deferred taxation, full provision is made for timing differences and deferred taxation. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to apply less tax in the future, have occurred at the balance sheet date.

When a deferred tax asset is regarded as recoverable, it is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rate that is expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities recognised have not been discounted.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Pension

The Company participates in the Columbia Pictures Corporation Limited Staff Pension and Life Assurance Scheme. This scheme was closed to new members from 31 March 2007.

The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore in accordance with Section 28 of FRS 102 the company financial statements for the scheme as if it is a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the financial year.

The Company now also participates in the Columbia Pictures Corporation Limited defined contribution scheme. The contributions payable to this scheme in respect of the financial year are charged to the Statement of Comprehensive Income.

4. JUDGMENTS 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 and associated assumptions are 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 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.

Determining fair values

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.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. TURNOVER

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

	2018 £000	2017 £000
Television Production	-	45
	<u>-</u>	<u>45</u>

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United States	-	45
	<u>-</u>	<u>45</u>

6. OTHER OPERATING INCOME

	2018 £000	2017 £000
Other operating income	1	19
Foreign exchange difference - gain	140	894
	<u>141</u>	<u>913</u>

7. STAFF COSTS AND DIRECTORS' EMOLUMENTS

The directors received no emoluments in respect of their services to the Company (2017: £nil). The directors were remunerated by other group companies and the amounts received in respect of their services to this Company cannot be calculated.

The average monthly number of employees in the year was nil (2017: nil).

8. AUDITORS' REMUNERATION

	2018 £000	2017 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7	7
	<u>7</u>	<u>7</u>

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2018 £000	2017 £000
Income from fixed asset investments	14,100	12

10. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £000	2017 £000
Interest receivable from group companies	4,179	3,830
Other interest receivable	4	48
	4,183	3,878

11. TAX ON PROFIT/(LOSS)

	2018 £000	2017 £000
CORPORATION TAX		
Current tax on profit/(loss) for the year	518	(448)
Adjustments in respect of prior years	-	32
TOTAL CURRENT TAX	518	(416)
TAXATION ON PROFIT/(LOSS)	518	(416)

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. TAX ON PROFIT/(LOSS) (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £000	2017 £000
Profit/(Loss) before taxation	16,786	(2,228)
Profit/(Loss) multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	3,189	(446)
EFFECTS OF:		
Income not subject to taxation	(2,679)	(2)
Deferred tax not recognised	8	-
Adjustments in respect of prior years	-	32
TOTAL TAX CHARGE/(CREDIT) FOR THE YEAR	518	(416)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020 was included in the Finance Act 2016 which received Royal Assent on 15 September 2016.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
COST OR VALUATION			
At 1 April 2017	21,847	900	22,747
Additions	47,015	850	47,865
At 31 March 2018	68,862	1,750	70,612
IMPAIRMENT			
At 1 April 2017	3,507	-	3,507
At 31 March 2018	3,507	-	3,507
NET BOOK VALUE			
At 31 March 2018	65,355	1,750	67,105
At 31 March 2017	18,340	900	19,240

Subsidiary undertakings- 50% or greater owned

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity	Registered address
Left Bank Pictures Limited	Ordinary A share capital	51%	Production of scripted entertainment shows	27-28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures Limited	Ordinary B share capital	29.04%	Production of scripted entertainment shows	27-28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures Limited	Ordinary C share capital	4%	Production of scripted entertainment shows	27-28 Eastcastle Street, London, W1W 8DH
Holliston Productions Limited	Ordinary share capital	100%	Television programme production activities	1 More London Place, London, SE1 2AF
Sony Pictures Television Production Egypt SAE	Ordinary share capital	1%	Television production	(3A) Suleiman El Halabi Street, El Tawfikia - El Azbakeya, Down Town Cairo.
Left Bank Media Limited	Ordinary share capital	60%	Television programme production activities	27-28 Eastcastle Street, London, W1W 8DH

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. INVESTMENTS (CONTINUED)

The following were the values of holdings in subsidiary undertakings of the company:

Name	Amount of holding £
Left Bank Pictures Limited	65,354,508
Holliston Productions Limited	2
Sony Pictures Television Production Egypt SAE	212
Left Bank Media Limited	1
	<u>65,354,723</u>

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

During the year the Company acquired 60% shareholding in Left Bank Media Limited and 32.70% in Left Bank Pictures Limited.

Total consideration was £47,015 thousand of which £35,794 thousand was settled through an intercompany loan and £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.

Investments in indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity	Registered address
Left Bank Pictures (Film) Limited	UK	84.04 %	Motion picture production activities, Television programme production activities	27-28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Television) Limited	UK	84.04 %	Television programme production activities	27-28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures Film (The Divided Heart) Limited	UK	84.04 %	Television programme production activities	27-28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (DCI Banks) Limited	UK	84.04 %	Television programme production activities	27-28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Ganglands) Limited	UK	84.04 %	Television programme production activities	27-28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Mad Dogs) Limited	UK	84.04 %	Television programme production activities	27-28 Eastcastle Street, London, W1W 8DH

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. INVESTMENTS (CONTINUED)

Name	Country of incorporation	Holding	Principal activity	Registered address
Left Bank Pictures (Mad Dogs 3) Limited	UK	84.04%	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (MSO) Limited	UK	84.04%	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Strike Back 2) Limited	UK	84.04%	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Strike Back) Limited	UK	84.04%	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Strike Back 3) Limited	UK	84.04%	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Strike Back 4) Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Strike Back 5) Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Wallander) Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Zen) Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Joyce Hatto) Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Ice Cream Girls) Limited	UK	84.04 %	Motion picture production activities, Other business support service activities not elsewhere classified	27/28 Eastcastle Street, London, W1W 8DH
Left Bank Pictures (Tommy Cooper) Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP Outlander Limited	UK	84.04 %	Other business support service activities not elsewhere classified	27/28 Eastcastle Street, London, W1W 8DH
LBP Outlander Series 2 Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP Lander Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, United Kingdom, W1W 8DH

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. INVESTMENTS (CONTINUED)

Name	Country of incorporation	Holding	Principal activity	Registered address
LBP (The Crown) Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP The Crown Series 2 Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP DCI Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP The Halcyon Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP The Replacement Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP Outlander Series 3 Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP Book of Strange New Things Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH
LBP Strike Back 6 Limited	UK	84.04 %	Television programme production activities	27/28 Eastcastle Street, London, W1W 8DH

Investment in associates

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

Name	Country of incorporation	Class of shares	Holding	Principal activity	Registered address
Fable Pictures Limited	UK	Ordinary shares	25 %	Television programme production activities	25 Golden Square, London, England, W1F 9LU
Blueprint Television Limited	UK	Ordinary shares	20 %	Television production	43-45 Charlotte Street, London, W1T 1RS
Stolen Picture Limited	UK	Ordinary shares	25 %	Motion picture production activities	10 Rathbone Place, London, England, W1T 1HP

During the year the Company acquired 25% in Stolen Picture Limited for the amount of £850,000.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. TRADE AND OTHER RECEIVABLES

	2018	2017
	£000	£000
Amounts due from related parties	75,825	77,010
Other debtors	-	100
VAT repayable	1,935	938
Corporation tax - group relief receivable	-	227
	<u>77,760</u>	<u>78,275</u>

Amounts owed by group undertakings are unsecured, interest free and are payable on demand.

14. CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash and cash equivalents	294	20,828
	<u>294</u>	<u>20,828</u>

Included within cash and cash equivalents are short-term deposits with related parties represent deposits with Sony Global Treasury Services plc and 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.

15. SHARE CAPITAL

	2018	2017
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
1,002 (2017: 1,001) Ordinary shares shares of £1 each	<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.

SONY PICTURES TELEVISION PRODUCTION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. TRADE AND OTHER PAYABLES

	2018 £000	2017 £000
Amounts due to related parties	60,471	99,744
Corporation tax	619	19
Other creditors	470	470
Accruals and deferred income	7	7
	<u>61,567</u>	<u>100,240</u>

17. DERIVATIVES

	2018 £000	2017 £000
Oldco Class C Options	5,571	-
Oldco Class D Options	3,070	-
Newco Options	2,580	-
Total value of Derivatives	<u>11,221</u>	<u>-</u>

£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.

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. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly-owned subsidiary of Columbia Pictures Corporation Limited, a company incorporated in England and Wales.

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