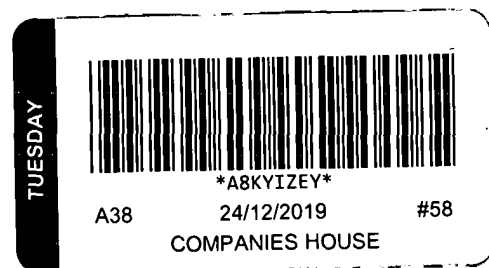


Registered number: 03592210

PIAS HOLDING (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



PIAS HOLDING (UK) LIMITED

COMPANY INFORMATION

Directors	K Gates N Hartley M Lambot
Company secretary	N Hartley
Registered number	03592210
Registered office	1 Bevington Path London SE1 3PW
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
Bankers	Coutts & Co 440 Strand London WC2R 0QS

PIAS HOLDING (UK) LIMITED

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PIAS HOLDING (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present the strategic report for PIAS Holding (UK) Limited for the year ended 31 December 2018.

Principal Activity

PIAS Holding (UK) Limited acts as a managing and Parent Company providing services to the Group companies. The consolidated accounts represent the performance of the Company and all of its subsidiaries.

The principal activities of the Group during the year was that of a record label engaged in the production and exploitation of sound recordings and a provider of sales, marketing and distribution services to other record labels.

Business Review

PIAS had a successful year with a growth in both physical and digital turnover due to the combined release schedules across the business and continued growth in streaming revenues. Total turnover increased by 9% compared to 2017 to reach £38.7million. Digital streaming revenues continue to grow especially in relation to the catalogue and also in developing markets. Revenues from Europe remain a significant part of the turnover.

The Group's Operating Profit increased to £6.69million compared to £2.63million in 2017.

Principal risks and uncertainties

The Group continues to seek and sign new artists and retain its existing artist roster as well as offering sales, marketing and distribution services to other record labels. On the former, the Group's performance is dependent on the success of its new signings and the continued growth of our large catalogue. Overall, the Group's turnover will be affected by the decline in physical sales and the growth in digital streaming revenues. As an international business, we will benefit from the ongoing growth of streaming in Europe and, in particular, in other emerging markets.

PIAS HOLDING (UK) LIMITED

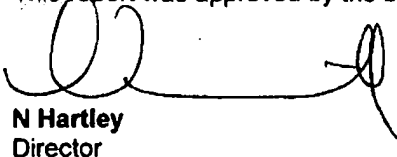
**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Key Performance Indicators

The Group uses a number of performance indicators to monitor and manage the business effectively. The Group's financial and non-financial key performance indicators for the year ended 31 December 2018, together with comparatives for the year ended 31 December 2017, are set out below:

	2018 £000	2017 £000
Total Turnover	38,692	35,498
Total Operating Profit	6,687	2,629
Average number of employees	114	140

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



N Hartley
Director

Date: 20/12/19

PIAS HOLDING (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Results and dividends

The profit for the year, after taxation, amounted to £5,764k (2017: £2,002k).

No dividends were paid or proposed in the current or prior years.

Directors

The directors who served during the year were:

K Gates
N Hartley
M Lambot

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PIAS HOLDING (UK) LIMITED

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

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, liquidity risk and interest rate risk. Given the size of the Group, the policies set out by the directors are implemented by the Group's finance department.

Price risk

The Group is exposed to price risk due to normal inflationary increases in the purchase price of goods and services. The Group has no exposure to equity securities price risk as it holds no listed or other equity investments.

Liquidity risk

Liquidity risk is managed through forecasting the Group's future cash flow requirements and maintaining sufficient cash reserves at Group level.

Interest rate risk

The Group has both interest-bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which earn interest at variable rates.

Disclosure of information to auditor

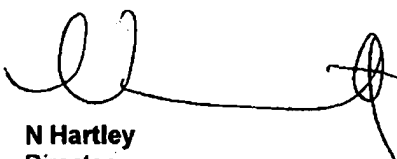
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is 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 and the Group's auditor is aware of that information.

Auditor

The auditor, Nexia Smith & Williamson, 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.



N Hartley
Director

Date: 20/12/19

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIAS HOLDING (UK) LIMITED

Opinion

We have audited the financial statements of PIAS Holding (UK) Limited (the 'Company') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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 Group's or the Parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIAS HOLDING (UK) LIMITED (CONTINUED)

Other information

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

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's or the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIAS HOLDING (UK) LIMITED (CONTINUED)

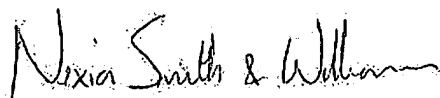
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Edmonds (Senior Statutory Auditor)
for and on behalf of
Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG
Date: 20 December 2019

PIAS HOLDING (UK) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover	4	38,692	35,498
Cost of sales		(16,733)	(16,870)
Gross profit		21,959	18,628
Distribution costs		(4,207)	(4,268)
Administrative expenses		(11,065)	(11,731)
Operating profit	5	6,687	2,629
Interest receivable and similar income	9	41	10
Interest payable and expenses	10	(905)	(629)
Profit before taxation		5,823	2,010
Tax on profit	11	(59)	(43)
Profit for the financial year		5,764	1,967
Profit for the year attributable to:			
Non-controlling interests		-	(35)
Owners of the parent Company		5,764	2,002
		5,764	1,967

There was no other comprehensive income for 2018 (2017: £Nil).

The notes on pages 17 to 40 form part of these financial statements.

PIAS HOLDING (UK) LIMITED
REGISTERED NUMBER:03592210

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	13	1,905	2,376
Tangible assets	14	1,512	1,216
Investments	15	20	20
		<u>3,437</u>	<u>3,612</u>
Current assets			
Stocks	16	2,047	1,665
Debtors: amounts falling due within one year	17	132,156	213,842
Cash at bank and in hand	18	364	1,012
		<u>134,567</u>	<u>216,519</u>
Creditors: amounts falling due within one year	19	(142,469)	(230,201)
Net current liabilities		<u>(7,902)</u>	<u>(13,682)</u>
Total assets less current liabilities		<u>(4,465)</u>	<u>(10,070)</u>
Creditors: amounts falling due after more than one year	20	(1,836)	(2,013)
Net liabilities		<u><u>(6,301)</u></u>	<u><u>(12,083)</u></u>

PIAS HOLDING (UK) LIMITED
REGISTERED NUMBER:03592210

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Capital and reserves			
Called up share capital	22	2,500	2,500
Other reserves	23	17	17
Profit and loss account	23	(8,818)	(14,600)
Shareholders' deficit		<u>(6,301)</u>	<u>(12,083)</u>

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



N Hartley
Director

Date: 20/12/19

The notes on pages 17 to 40 form part of these financial statements.

PIAS HOLDING (UK) LIMITED
REGISTERED NUMBER:03592210

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	14	1,459	1,150
Investments	15	1,748	1,748
		<u>3,207</u>	<u>2,898</u>
Current assets			
Debtors: amounts falling due within one year	17	25,233	26,929
Cash at bank and in hand	18	1	-
		<u>25,234</u>	<u>26,929</u>
Creditors: amounts falling due within one year	19	(36,780)	(38,474)
Net current liabilities		<u>(11,546)</u>	<u>(11,545)</u>
Total assets less current liabilities		<u>(8,339)</u>	<u>(8,647)</u>
Net liabilities		<u>(8,339)</u>	<u>(8,647)</u>
Capital and reserves			
Called up share capital	22	2,500	2,500
Profit and loss account	23	(10,839)	(11,147)
Shareholders' deficit		<u>(8,339)</u>	<u>(8,647)</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

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



N Hartley
Director

Date: 20/12/19

The notes on pages 17 to 40 form part of these financial statements.

PIAS HOLDING (UK) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2017	2,500	17	(16,432)	(13,915)	(135)	(14,050)
Comprehensive income for the year						
Profit for the year	-	-	2,002	2,002	(35)	1,967
Transfer of non-controlling interest	-	-	(170)	(170)	170	-
At 1 January 2018	2,500	17	(14,600)	(12,083)	-	(12,083)
Comprehensive income for the year						
Profit for the year	-	-	5,764	5,764	-	5,764
Foreign currency movements	-	-	18	18	-	18
At 31 December 2018	2,500	17	(8,818)	(6,301)	-	(6,301)

PIAS HOLDING (UK) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2017	2,500	(11,283)	(8,783)
Comprehensive income for the year			
Profit for the year	-	136	136
At 1 January 2018	2,500	(11,147)	(8,647)
Comprehensive income for the year			
Profit for the year	-	308	308
At 31 December 2018	2,500	(10,839)	(8,339)

PIAS HOLDING (UK) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £000	2017 £000
Cash flows from operating activities		
Profit for the financial year	5,764	1,968
Adjustments for:		
Amortisation of intangible assets	471	475
Depreciation of tangible assets	317	221
Profit/(loss) on disposal of tangible assets	-	(6)
Interest paid	905	629
Interest received	(41)	(10)
Taxation charge	59	43
(Increase)/decrease in stocks	(382)	346
(Increase)/decrease in debtors	(713)	2,821
Increase in amounts owed by groups	(2,175)	(5,799)
Decrease in creditors	(3,323)	(1,434)
Corporation tax paid	-	(43)
Net cash generated from operating activities	882	(789)
Cash flows from investing activities		
Purchase of tangible fixed assets	(635)	(330)
Sale of tangible fixed assets	22	6
Purchase of fixed asset investments	-	167
Interest received	41	10
Net cash from investing activities	(572)	(147)

PIAS HOLDING (UK) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	£000	£000
Cash flows from financing activities		
New secured loans	(568)	3,677
Other new loans	62	-
Interest paid	(905)	(629)
Net cash used in financing activities	(1,411)	3,048
Net (decrease)/increase in cash and cash equivalents	(1,101)	2,112
Cash and cash equivalents at beginning of year	1,012	(1,100)
Cash and cash equivalents at the end of year	(89)	1,012
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	364	1,012
Bank overdrafts	(453)	-
	(89)	1,012

PIAS HOLDING (UK) LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	At 1 January 2018 £000	Cash flows £000	At 31 December 2018 £000
Cash at bank and in hand	1,012	(627)	385
Bank overdrafts	-	(474)	(474)
Debt due after 1 year	(2,013)	177	(1,836)
Debt due within 1 year	(1,664)	329	(1,335)
	<u>(2,665)</u>	<u>(595)</u>	<u>(3,260)</u>

PIAS HOLDING (UK) LIMITED

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

1. General information

PIAS Holding (UK) Limited is a private Company, limited by shares, incorporated in England and Wales (registered number 03592210). Its' registered office is 1 Bevington Path, London, SE1 3PW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. The preparation of financial statement in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Company and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Company as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Company as a whole.

The Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

PIAS HOLDING (UK) LIMITED

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

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

Non-controlling interest

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the non-controlling interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

2.3 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors' share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Wall of Sound (Nordic) Limited remained dormant throughout the year.

The results of PIAS Productions Limited are immaterial after the Group has levied an appropriate management charge. Therefore they are not consolidated into these accounts.

PIAS HOLDING (UK) LIMITED

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

2. Accounting policies (continued)

2.4 Going concern

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the production of the financial statements.

The Group has net current liabilities of £7,902k (2017: £13,682k) and net liabilities of £6,301k (2017: £12,083k) as at 31 December 2018 and has made a profit of £5,764k (2017: £1,967k). The directors have prepared the financial statements on the going concern basis, which assumes that future incomes from artists will be sufficient to cover any advances to artists carried on the Balance Sheet.

The ability of the Group to continue as a going concern is dependent on the ultimate parent company, LGS 2 SPRL, not requiring repayment of intercompany funds. The Directors have obtained confirmation from LGS 2 SPRL that they will continue to support the Group through its existing facilities.

After considering the support available from LGS 2 SPRL, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

PIAS HOLDING (UK) LIMITED

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

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

PIAS HOLDING (UK) LIMITED

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

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the profit or loss over its useful economic life.

Other intangible assets

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Record catalogue intangibles	-	5% - 10% straight-line
Artists' rights	-	10% straight-line
Goodwill	-	10% straight-line

2.7 Tangible fixed assets

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

PIAS HOLDING (UK) LIMITED

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

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

Depreciation is provided on the following bases:

Motor vehicles	-	33% straight-line
Fixtures & fittings	-	10-50% straight-line
Office equipment	-	10-33% straight-line
Computer equipment	-	20-33% straight-line

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

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value and are shown net of provisions for slow moving and obsolete stocks. Costs include materials, costs of assembly, freight and duty costs. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion or disposal.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

PIAS HOLDING (UK) LIMITED

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

2. Accounting policies (continued)

2.10 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at the initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short term bank deposits with original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

PIAS HOLDING (UK) LIMITED

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

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP, rounded to '000s.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.12 Finance costs

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

2.13 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit or loss on a straight-line basis over the lease term.

PIAS HOLDING (UK) LIMITED

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

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.17 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

2.18 Artists' advances

Unrecouped artists' advances are deferred in the accounting period unless it is considered by the directors that all of the advance will not be recouped from royalties arising from future sales at the year end. Artists' advances are reduced as a minimum by the higher of the net balance recouped and 10% of the net brought forward deferred advances plus additional advances made during the year.

2.19 Royalties payable

Royalties payable are recognised in the same period as the income to which they relate.

PIAS HOLDING (UK) LIMITED

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

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

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group and Company are outlined below.

Bad debt provision

The trade debtors balance recorded in the Group's and Company's Balance Sheet is reviewed for bad debts by management on a regular basis. Any bad debts discovered are provided for via a specific provision. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable. The total bad debt provision for the Group is £1,799k (2017: £853k). There is no bad debt provision in the Company accounts.

Group balances

Directors make an assessment at each period end as to the recoverability of intercompany debts. This judgement is made based upon objective evidence as to whether the debtor is able to repay the debt. The total Group provision for intercompany debts is £Nil (2017: £Nil). The Company's total provision for intercompany debts is £770k (2017: £770k).

Investments

Directors make an assessment at each period end as to the carrying value of investments in subsidiaries and associates, based on the realisable value of said investments. The carrying amount of the Group's investments at 31 December 2018 was £20k (2017: £20k), and no impairment has been recognised against these investment balances in the year. The carrying amounts of the Company's investments at 31 December 2018 was £1,748k (2017: £1,748k) and no impairment has been recognised against these investment balances in the year.

Goodwill - Impairment

Key estimates and judgements are applied in establishing the recoverable amount of goodwill at each reporting date, for the purposes of impairment testing. The carrying amount of goodwill at 31 December 2018 was £1,735k (2017: £2,184k) after amortisation of £449k (2017: £447k). No impairment has been recognised against goodwill balances.

PIAS HOLDING (UK) LIMITED

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

4. Turnover

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	20,847	15,965
Rest of Europe	12,306	12,794
Rest of the world	5,539	6,739
	<u>38,692</u>	<u>35,498</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	317	221
Amortisation of intangible assets, including goodwill	471	475
Exchange differences	(332)	(487)
Defined contribution pension cost	268	226
Operating lease payments	86	134
	<u>86</u>	<u>134</u>

6. Auditor's remuneration

	2018 £000	2017 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<u>100</u>	<u>90</u>

Audit fees for the Company were £10k (2017: £8k).

PIAS HOLDING (UK) LIMITED

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

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £000	<i>Group 2017 £000</i>	Company 2018 £000	<i>Company 2017 £000</i>
Wages and salaries	5,616	5,872	2,772	2,651
Social security costs	494	559	241	280
Cost of defined contribution scheme	268	226	21	67
	<u>6,378</u>	<u>6,657</u>	<u>3,034</u>	<u>2,998</u>

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

	2018 No.	<i>2017 No.</i>
Management	3	3
Operations and administration	111	137
	<u>114</u>	<u>140</u>

8. Directors' remuneration

	2018 £000	<i>2017 £000</i>
Directors' emoluments	218	217
Company contributions to defined contribution pension schemes	1	18
	<u>219</u>	<u>235</u>

During the year retirement benefits were accruing to 1 directors (2017: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £190k (2017: £189k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1k (2017: £18k).

PIAS HOLDING (UK) LIMITED

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

9. Interest receivable

	2018 £000	2017 £000
Other interest receivable	41	10
	<u>41</u>	<u>10</u>

10. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	441	284
Loans from group undertakings	464	345
	<u>905</u>	<u>629</u>

11. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	58	-
	<u>58</u>	<u>-</u>
Foreign tax		
Foreign tax on income for the year	1	29
Foreign tax in respect of prior periods	-	14
	<u>1</u>	<u>43</u>
Total current tax	<u>59</u>	<u>43</u>

PIAS HOLDING (UK) LIMITED

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

11. Taxation (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 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	5,823	2,010
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	1,106	387
Effects of:		
Fixed assets differences	196	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	52	52
Capital allowances for year in excess of depreciation	-	3
Goodwill amortisation	-	28
Adjustments to tax charge in respect of prior periods	-	14
Deferred tax rate adjustment	(109)	(44)
Foreign tax	-	4
Other differences leading to an increase (decrease) in the tax charge	57	-
Group relief	(119)	-
Utilisation of tax losses	(1,124)	(401)
Total tax charge for the year	59	43

The Group had tax losses of £6,366k (2017: £13,804k) for offset against future taxable profit.

Factors that may affect future tax charges

A reduction in the UK corporation tax rate to 17% from 1 April 2020 was substantively enacted on 6 September 2017.

12. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £308k (2017: £136k).

PIAS HOLDING (UK) LIMITED

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

13. Intangible assets

Group

	Record catalogue intangibles £000	Artists' rights £000	Goodwill £000	Total £000
Cost				
At 1 January 2018	59	418	4,395	4,872
At 31 December 2018	59	418	4,395	4,872
Amortisation				
At 1 January 2018	52	233	2,211	2,496
Charge for the year	1	21	449	471
At 31 December 2018	53	254	2,660	2,967
Net book value				
At 31 December 2018	6	164	1,735	1,905
At 31 December 2017	7	185	2,184	2,376

PIAS HOLDING (UK) LIMITED

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

14. Tangible fixed assets

Group

	Motor vehicles £000	Fixtures & fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost					
At 1 January 2018	40	471	173	3,127	3,811
Additions	-	21	10	604	635
Disposals	(29)	-	-	-	(29)
Exchange adjustments	-	-	7	(12)	(5)
At 31 December 2018	11	492	190	3,719	4,412
Depreciation					
At 1 January 2018	2	286	138	2,169	2,595
Charge for the year	1	47	12	257	317
Exchange adjustments	-	-	-	(12)	(12)
At 31 December 2018	3	333	150	2,414	2,900
Net book value					
At 31 December 2018	8	159	40	1,305	1,512
At 31 December 2017	38	185	35	958	1,216

PIAS HOLDING (UK) LIMITED

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

14. Tangible fixed assets (continued)

Company

	Fixtures & fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 January 2018	453	125	3,116	3,694
Additions	5	10	604	619
At 31 December 2018	<u>458</u>	<u>135</u>	<u>3,720</u>	<u>4,313</u>
Depreciation				
At 1 January 2018	286	100	2,158	2,544
Charge for the year	44	9	257	310
At 31 December 2018	<u>330</u>	<u>109</u>	<u>2,415</u>	<u>2,854</u>
Net book value				
At 31 December 2018	<u>128</u>	<u>26</u>	<u>1,305</u>	<u>1,459</u>
At 31 December 2017	<u>167</u>	<u>25</u>	<u>958</u>	<u>1,150</u>

PIAS HOLDING (UK) LIMITED

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

15. Fixed asset investments

Group

	Investments in associates £000
Cost or valuation	
At 1 January 2018	20
At 31 December 2018	20
Net book value	
At 31 December 2018	20
At 31 December 2017	20

Company

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
Cost or valuation			
At 1 January 2018	1,728	20	1,748
At 31 December 2018	1,728	20	1,748
Net book value			
At 31 December 2018	1,728	20	1,748
At 31 December 2017	1,728	20	1,748

PIAS HOLDING (UK) LIMITED

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

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
Fat Cat Records Limited	United Kingdom	Record label	100%
PIAS Cooperative Limited	United Kingdom	Dormant	100%
PIAS Recordings UK Limited	United Kingdom	Record company	100%
PIAS UK Limited	United Kingdom	Sale and distribution of music	100%
PIAS/Wall of Sound Limited	United Kingdom	Record label	100%
Indie Mobile Limited	United Kingdom	Dormant	100%
Harmonia Mundi (UK) Limited	United Kingdom	Dormant	100%
Inertia Pty Limited	United Kingdom	Record label	100%

Associates

The following were associates of the Company:

Name	Principal activity	Holding
Wall of Sound (Nordic) Limited	Dormant	5%
PIAS Productions Limited	Physical music production	50%

The registered office of Fat Cat Records Limited, PIAS Cooperative Limited, PIAS Recordings UK Limited, PIAS UK Limited, PIAS/Wall of Sound Limited, Indie Mobile Limited, Harmonia Mundi (UK) Limited, Wall of Sound (Nordic) Limited is 1 Bevington Path, London, SE1 3PW.

The registered office of PIAS Productions Limited is Lynwood House, 373/375 Station Road, Harrow, Middlesex, HA21 2AW.

16. Stocks

	Group 2018 £000	Group 2017 £000
Finished goods and goods for resale	2,047	1,665
	<u>2,047</u>	<u>1,665</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The stock balance is shown after impairment provision of £776k (2017: £757k). The Group held consignment stock of £3,614k (2017: £3,762k).

PIAS HOLDING (UK) LIMITED

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

17. Debtors

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Trade debtors	6,401	9,168	-	-
Amounts owed by group undertakings	111,251	193,650	24,593	26,348
Other debtors	10,554	9,147	18	13
Prepayments and accrued income	3,950	1,866	622	568
Tax recoverable	-	11	-	-
	132,156	213,842	25,233	26,929

18. Cash and cash equivalents

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Cash at bank and in hand	364	1,012	1	-
Less: bank overdrafts	(453)	-	-	-
	(89)	1,012	1	-

PIAS HOLDING (UK) LIMITED

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

19. Creditors: Amounts falling due within one year

	Group 2018 £000	<i>Group 2017 £000</i>	Company 2018 £000	<i>Company 2017 £000</i>
Bank overdrafts	453	-	-	-
Bank loans	1,335	999	-	-
Other loans	-	665	-	-
Trade creditors	10,486	13,595	-	-
Amounts owed to group undertakings	118,438	203,012	36,166	37,579
Corporation tax	44	2	-	2
Other taxation and social security	252	232	-	-
Other creditors	1,476	1,086	-	-
Accruals and deferred income	9,985	10,610	614	893
	142,469	230,201	36,780	38,474

The bank overdraft in PIAS UK Limited is secured by the following:

- Mortgage debenture in bank's standard form dated 16 April 2002.
- Guarantee in the bank's standard form limited to £1,000,000 by PIAS Holding (UK) Limited dated 15 January 2003.
- Cross composite guarantee in the bank's standard form dated 18 June 2013 with PIAS Digital Limited.
- Postponement of members' loans totalling £1,000,000 dated 3 May 2002.

The bank liabilities relating to these guarantees as at 31 December 2018 amounted to £Nil (2017: £Nil).

The bank loan is secured on the assets of the Group.

20. Creditors: Amounts falling due after more than one year

	Group 2018 £000	<i>Group 2017 £000</i>
Bank loans	1,836	2,013

PIAS HOLDING (UK) LIMITED

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

21. Financial instruments

	Group		Company	
	2018	Group	2018	Company
	£000	2017	£000	2017
		£000		£000
Financial assets				
Financial assets measured at fair value through profit or loss	364	1,012	1	-
Financial assets that are debt instruments measured at amortised cost	129,111	168,144	24,661	26,611
	<u>129,475</u>	<u>169,156</u>	<u>24,662</u>	<u>26,611</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(132,209)	(183,239)	(36,116)	(38,472)

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, accrued income and intercompany balances.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals, bank overdrafts and group balances.

22. Share capital

	2018	2017
	£000	£000
Allotted, called up and fully paid		
2,500,286 Ordinary shares of £1.00 each	<u>2,500</u>	<u>2,500</u>

23. Reserves

Other reserves

This reserve relates to the merger reserve. The merger reserve is the difference between the nominal and fair value on shares acquired on initial recognition of the business combination.

Profit & loss account

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

PIAS HOLDING (UK) LIMITED

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

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £180k (2017: £226k). No contributions were outstanding at the balance sheet date.

25. Commitments under operating leases

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £000	<i>Group 2017 £000</i>
Not later than 1 year	297	299
Later than 1 year and not later than 5 years	664	961
	961	1,260

26. Related party transactions

Company

The Company has taken advantage of the exemption in FRS 102 section 33 from the requirement to disclose transactions with the Parent Company and fellow wholly owned group companies.

Group companies that do not fall under the exemption are disclosed as follows:

	Sub Notes	2018 £000	<i>2017 £000</i>
PIAS DIGITAL Limited	1	5,218	-
PIAS FRANCE	1	561	556
PIAS PRODUCTIONS Limited	2	-	(183)
PIAS Group SPRL	1	(1,259)	(9,623)
Income/(expense)			
PIAS PRODUCTIONS Limited	1	(2)	(189)
PIAS DIGITAL Limited	1	900	-

Sub notes

1) PIAS Digital Limited, PIAS Productions Limited and Fat Cat Records Limited are fellow group companies in the UK.

2) These entities are fellow group companies operating overseas.

PIAS HOLDING (UK) LIMITED

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

Related party transactions (continued)

Group

	Sub Notes	2018 £000	2017 £000
PIAS FRANCE	2	17,481	14,034
PIAS PRODUCTIONS Limited	1	(863)	(903)
WALL OF SOUND (Nordic) Limited	1	-	(80)
F COMMUNICATIONS	2	-	80
PIAS ROUGH TRADE	2	-	2,197
LGS 2 SPRL	2	(5,847)	(5,652)
PIAS Group SPRL	2	(6,682)	(15,399)
Income/(expenses)			
PIAS FRANCE	2	1,827	3,100
Transfers			
PIAS FRANCE	2	(1,119)	-

Sub notes

1) PIAS Digital Limited, PIAS Productions Limited and Wall of Sound (Nordic) Limited are fellow group companies in the UK.

2) These entities are fellow group companies operating overseas.

At the year end there was a loan of £Nil (2017: £665k) owing to a director of the Group, repayable within one year. Interest was charged at 4% per annum.

27. Post balance sheet events

There were no post balance sheet events.

28. Ultimate parent company

PIAS Group SPRL, domiciled in Belgium, is the immediate parent company.

LGS 2 SPRL, a company registered in Belgium, is the ultimate parent company and is domiciled in Belgium. Copies of the group financial statements can be obtained from 36-38, Rue St Laurent 1000 Brussels, Belgium.