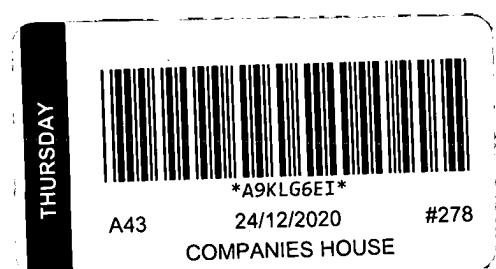


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**PIAS HOLDING (UK) LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**PIAS HOLDING (UK) LIMITED**

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**COMPANY INFORMATION**

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

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**PIAS HOLDING (UK) LIMITED**

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## PIAS HOLDING (UK) LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Introduction

The directors present the Strategic Report for PIAS Holding (UK) Limited for the year ended 31 December 2019.

#### 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

The Group's turnover fell to £32.1million as a result of a weaker release schedule within the record label business. Digital incomes on catalogue continue to grow and this is expected to continue next year. Revenues from Europe remain a significant part of the turnover.

The Group's Operating Profit before foreign exchange losses or gains was £1.63million. In 2019, there was a large foreign exchange loss primarily due to an increased value of the pound and the subsequent revaluation of the large receivables by the Group from overseas primarily Europe.

The Operating Result for 2019 is therefore a loss of £1.1m.

#### 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.

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**PIAS HOLDING (UK) LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

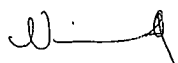
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**Key Performance Indicators**

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 2019 together with comparatives for the year ended 31 December 2018, are set out below:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Total Turnover	<b>32,142</b>	38,692
Total Operating Profit before Foregin Exchange gains/losses	<b>1,634</b>	5,855
Average number of employees	<b>108</b>	114

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



**N B Hartley**  
Director

Date: 22/12/2020

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## PIAS HOLDING (UK) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

#### Results and dividends

The loss for the year, after taxation, amounted to £1,602k (2018: *profit* £5,764k).

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

#### Directors

The directors who served during the year were:

K B Gates  
N B Hartley  
M J Lambot

#### 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.

#### Future developments

The Group will continue with the same business activities going forwards, whilst looking for new artists to add to the existing portfolio.

#### Matters covered in the strategic report

Where necessary, disclosures relating to business review have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

#### 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.

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**PIAS HOLDING (UK) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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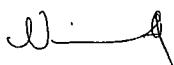
**Post balance sheet events**

The Group's business has been impacted by the COVID-19 global pandemic which has reduced physical sales and other incomes such as Neighbouring Rights and Synchronisation in 2020. In addition, certain releases were deferred from 2020 into future years. However, the Board took action to reduce overhead costs, have made use of government schemes and reduced working hours for staff such that there will not be a material impact on the financial results for 2020. The Board would like to thank the staff for their tremendous support and commitment during the last year.

**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 B Hartley**  
Director

Date: 22/12/2020

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**PIAS HOLDING (UK) LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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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; and
- 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.



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

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**Opinion**

We have audited the financial statements of PIAS Holding (UK) Limited (the 'Company') for the year ended 31 December 2019 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 2019 and of the Group's loss 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.

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

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### 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 5, 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.

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

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### 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](http://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.

Nexia Smith & Williamson

Nexia Smith & Williamson (Dec 22, 2020 17:28 GMT)

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: 22/12/2020

PIAS HOLDING (UK) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Turnover	4	32,142	38,692
Cost of sales		(14,638)	(16,733)
<b>Gross profit</b>		<b>17,504</b>	<b>21,959</b>
Distribution costs		(4,689)	(4,207)
Administrative expenses		(11,181)	(11,897)
Foreign exchange (loss)/gain		(2,730)	832
<b>Operating (loss)/profit</b>	5	<b>(1,096)</b>	<b>6,687</b>
Interest receivable and similar income	9	32	41
Interest payable and expenses	10	(895)	(905)
<b>(Loss)/profit before taxation</b>		<b>(1,959)</b>	<b>5,823</b>
Tax on (loss)/profit	11	357	(59)
<b>(Loss)/profit for the financial year</b>		<b>(1,602)</b>	<b>5,764</b>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Parent Company		(1,602)	5,764
		<b>(1,602)</b>	<b>5,764</b>

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 19 to 42 form part of these financial statements.

PIAS HOLDING (UK) LIMITED  
REGISTERED NUMBER:03592210

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2019

	Note	2019 £000	As restated 2018 £000
<b>Fixed assets</b>			
Intangible fixed assets	12	1,291	1,741
Tangible assets	13	1,259	1,512
Investments	14	20	20
		<u>2,570</u>	<u>3,273</u>
<b>Current assets</b>			
Stocks	15	2,436	2,047
Debtors: amounts falling due within one year	16	167,845	132,320
Cash at bank and in hand	17	521	364
		<u>170,802</u>	<u>134,731</u>
Creditors: amounts falling due within one year	18	(179,570)	(142,469)
<b>Net current liabilities</b>		<u>(8,768)</u>	<u>(7,738)</u>
<b>Total assets less current liabilities</b>		<u>(6,198)</u>	<u>(4,465)</u>
Creditors: amounts falling due after more than one year	19	(1,718)	(1,836)
<b>Net liabilities</b>		<u><u>(7,916)</u></u>	<u><u>(6,301)</u></u>

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PIAS HOLDING (UK) LIMITED  
REGISTERED NUMBER:03592210

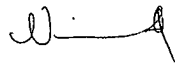
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CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2019

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	Note	2019 £000	2018 £000
<b>Capital and reserves</b>			
Called up share capital	21	2,500	2,500
Other reserves	22	17	17
Profit and loss account	22	(10,433)	(8,818)
<b>Shareholders' deficit</b>		<u>(7,916)</u>	<u>(6,301)</u>

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



**N B Hartley**  
Director

Date: 22/12/2020

The notes on pages 19 to 42 form part of these financial statements.

PIAS HOLDING (UK) LIMITED  
REGISTERED NUMBER:03592210

COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2019

	Note	2019 £000	As restated 2018 £000
<b>Fixed assets</b>			
Tangible assets	13	1,209	1,459
Investments	14	1,757	1,748
		<u>2,966</u>	<u>3,207</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	34,338	25,233
Cash at bank and in hand	17	1	1
		<u>34,339</u>	<u>25,234</u>
Creditors: amounts falling due within one year	18	(45,659)	(36,780)
<b>Net current liabilities</b>		<u>(11,320)</u>	<u>(11,546)</u>
<b>Total assets less current liabilities</b>		<u>(8,354)</u>	<u>(8,339)</u>
<b>Net liabilities</b>		<u>(8,354)</u>	<u>(8,339)</u>
<b>Capital and reserves</b>			
Called up share capital	21	2,500	2,500
Profit and loss account	22	(10,854)	(10,839)
<b>Shareholders' deficit</b>		<u>(8,354)</u>	<u>(8,339)</u>

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PIAS HOLDING (UK) LIMITED  
REGISTERED NUMBER:03592210

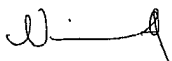
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COMPANY BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2019

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The Parent 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 loss after tax for the Parent Company was £15k (2018 *profit after tax*: 308k).

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



**N B Hartley**  
Director

Date: 22/12/2020

The notes on pages 19 to 42 form part of these financial statements.



PIAS HOLDING (UK) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2018	2,500	17	(14,600)	(12,083)
Comprehensive income for the year				
Profit for the year	-	-	5,764	5,764
Foreign currency movements	-	-	18	18
At 1 January 2019	2,500	17	(8,818)	(6,301)
Comprehensive income for the year				
Loss for the year	-	-	(1,602)	(1,602)
Foreign currency movements	-	-	(13)	(13)
At 31 December 2019	2,500	17	(10,433)	(7,916)

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PIAS HOLDING (UK) LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

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	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	2,500	(11,147)	(8,647)
Comprehensive income for the year			
Profit for the year	-	308	308
	<hr/>	<hr/>	<hr/>
At 1 January 2019	2,500	(10,839)	(8,339)
Comprehensive income for the year			
Loss for the year	-	(15)	(15)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	<u>2,500</u>	<u>(10,854)</u>	<u>(8,354)</u>

**PIAS HOLDING (UK) LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	<b>(1,602)</b>	<b>5,764</b>
<b>Adjustments for:</b>		
Amortisation of intangible assets	<b>450</b>	<b>471</b>
Depreciation of tangible assets	<b>457</b>	<b>317</b>
Interest paid	<b>895</b>	<b>905</b>
Interest received	<b>(32)</b>	<b>(41)</b>
Taxation charge	<b>(357)</b>	<b>59</b>
(Increase) in stocks	<b>(389)</b>	<b>(382)</b>
(Increase) in debtors	<b>(3,211)</b>	<b>(713)</b>
Decrease/(increase) in amounts owed by groups	<b>2,680</b>	<b>(2,175)</b>
Increase/(decrease) in creditors	<b>1,395</b>	<b>(3,323)</b>
Corporation tax (paid)/received	<b>(17)</b>	<b>-</b>
<b>Net cash generated from operating activities</b>	<b>269</b>	<b>882</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(206)</b>	<b>(635)</b>
Sale of tangible fixed assets	<b>-</b>	<b>22</b>
Interest received	<b>32</b>	<b>41</b>
<b>Net cash from investing activities</b>	<b>(174)</b>	<b>(572)</b>

PIAS HOLDING (UK) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £000	2018 £000
<b>Cash flows from financing activities</b>		
New secured loans	329	(568)
Other new loans	-	62
Interest paid	(895)	(905)
<b>Net cash used in financing activities</b>	<b>(566)</b>	<b>(1,411)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(471)</b>	<b>(1,101)</b>
Cash and cash equivalents at beginning of year	(89)	1,012
<b>Cash and cash equivalents at the end of year</b>	<b>(560)</b>	<b>(89)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	521	364
Bank overdrafts	(1,081)	(453)
	<b>(560)</b>	<b>(89)</b>

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PIAS HOLDING (UK) LIMITED

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CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2019

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	At 1 January 2019 £000	Cash flows £000	At 31 December 2019 £000
Cash at bank and in hand	364	157	521
Bank overdrafts	(453)	(628)	(1,081)
Debt due after 1 year	(1,836)	118	(1,718)
Debt due within 1 year	(1,335)	(447)	(1,782)
	<u>(3,260)</u>	<u>(800)</u>	<u>(4,060)</u>

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## PIAS HOLDING (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. General information

PIAS Holding (UK) Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number 03592210). The 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

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.

##### Parent Company disclosure exemptions

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; 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 following principal accounting policies have been applied:

##### 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.

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## PIAS HOLDING (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## 2. Accounting policies (continued)

### 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.

### 2.4 Going concern

The directors have made an assessment in preparing these financial statements as to whether the Group and Parent Company remain a going concern. In their assessment, the directors have considered the facilities available from the Group's bankers, post year end performance and the impact the COVID-19 pandemic has had and is likely to have on the business. In addition, the Group's ultimate parent has confirmed its intention to continue to provide financial support for at least twelve months to the UK Group, specifically that they will not require reimbursement of outstanding intercompany balances if this would cause financial hardship for the UK Group.

On the basis of the above, the directors have produced cash flow forecasts for the UK Group, which demonstrate that there are sufficient cash resources available to the Group and Parent Company to ensure they can meet their financial obligations as they fall due for the foreseeable future, this being the period covering at least twelve months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

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## PIAS HOLDING (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 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.

##### 2.6 Finance costs

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

##### 2.7 Operating leases: the Group as lessee

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

##### 2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.



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PIAS HOLDING (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. Accounting policies (continued)

2.9 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
Goodwill	-	10% straight-line

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PIAS HOLDING (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.10 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.

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 profit or loss.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 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 profit or loss.

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## PIAS HOLDING (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## 2. Accounting policies (continued)

### 2.13 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.

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

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PIAS HOLDING (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.16 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.

**2.17 Royalties payable**

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

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## PIAS HOLDING (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 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 £1,461k (2018: £1,799k). 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 (2018: £Nil). The Company's total provision for intercompany debts is £1,741k (2018: £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 2019 was £20k (2018: £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 2019 was £1,758k (2018: £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 2019 was £1,286k (2018: £1,735k) after amortisation of £448k (2018: £449k). No impairment has been recognised against goodwill balances.

**PIAS HOLDING (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**4. Turnover**

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	15,187	20,847
Rest of Europe	10,621	12,306
Rest of the world	6,334	5,539
	<u>32,142</u>	<u>38,692</u>

**5. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	457	317
Amortisation of intangible assets, including goodwill	450	450
Exchange differences	2,729	-
Defined contribution pension cost	224	268
Operating lease payments	80	86
	<u>4,340</u>	<u>1,121</u>

**6. Auditor's remuneration**

	2019 £000	2018 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	85	100
	<u>85</u>	<u>100</u>

**Fees payable to the Group's auditor and its associates in respect of:**

Audit-related assurance services	5	12
Taxation compliance services	27	27
	<u>32</u>	<u>39</u>

**PIAS HOLDING (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**7. Employees**

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

	<b>Group 2019 £000</b>	<i>Group 2018 £000</i>	<b>Company 2019 £000</b>	<i>Company 2018 £000</i>
Wages and salaries	<b>5,507</b>	5,616	<b>2,538</b>	2,772
Social security costs	<b>486</b>	494	<b>247</b>	241
Cost of defined contribution scheme	<b>224</b>	268	<b>73</b>	21
	<b>6,217</b>	6,378	<b>2,858</b>	3,034

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

	<b>2019 No.</b>	<i>2018 No.</i>
Management	<b>4</b>	3
Operations and administration	<b>104</b>	111
	<b>108</b>	114

**8. Directors' remuneration**

	<b>2019 £000</b>	<i>2018 £000</i>
Directors' emoluments	<b>291</b>	218
Company contributions to defined contribution pension schemes	<b>5</b>	1
	<b>296</b>	219

During the year retirement benefits were accruing to 1 director (2018: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £249k (2018: £190k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5k (2018: £1k).

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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9. Interest receivable

	2019 £000	2018 £000
Other interest receivable	32	41

10. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	335	441
Loans from group undertakings	560	464
	895	905

11. Taxation

	2019 £000	2018 £000
<b>Corporation tax</b>		
Current tax on profits for the year	25	58
Adjustments in respect of previous periods	(38)	-
	(13)	58
<b>Foreign tax</b>		
Foreign tax on income for the year	-	1
<b>Total current tax</b>	(13)	59
<b>Deferred tax</b>		
Origination and reversal of timing differences	(344)	-
<b>Total deferred tax</b>	(344)	-
<b>Taxation on (loss)/profit on ordinary activities</b>	(357)	59



PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	(1,958)	5,823
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	(372)	1,106
Effects of:		
Fixed assets differences	-	196
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	161	52
Adjustments to tax charge in respect of prior periods	(38)	-
Deferred tax rate adjustment	39	(109)
Deferred tax not recognised	(176)	-
Other differences leading to an increase (decrease) in the tax charge	-	57
Group relief	-	(119)
Utilisation of tax losses	29	(1,124)
<b>Total tax (credit)/charge for the year</b>	<b>(357)</b>	<b>59</b>

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.

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporate tax rate from 19% to 17%. This announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%.

The Group had tax losses of £9,682k (2018: £6,366k) for offset against future taxable profit.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Intangible assets

Group

	Record catalogue intangibles £000	Artists' rights £000	Goodwill £000	Total £000
<b>Cost</b>				
At 1 January 2019 (as previously stated)	59	418	4,395	4,872
Prior Year Adjustment	-	(418)	-	(418)
At 1 January 2019 (as restated)	59	-	4,395	4,454
At 31 December 2019	59	-	4,395	4,454
<b>Amortisation</b>				
At 1 January 2019 (as previously stated)	53	(254)	2,660	2,459
Prior Year Adjustment	-	254	-	254
At 1 January 2019 (as restated)	53	-	2,660	2,713
Charge for the year	1	-	449	450
At 31 December 2019	54	-	3,109	3,163
<b>Net book value</b>				
At 31 December 2019	5	-	1,286	1,291
At 31 December 2018 (as restated)	6	-	1,735	1,741

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PIAS HOLDING (UK) LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**13. Tangible fixed assets**

**Group**

	Motor vehicles £000	Fixtures & fittings £000	Office equipment £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 January 2019	11	492	190	3,719	4,412
Additions	-	-	12	194	206
Disposals	-	-	(36)	-	(36)
Exchange adjustments	(1)	(1)	(2)	-	(4)
At 31 December 2019	<u>10</u>	<u>491</u>	<u>164</u>	<u>3,913</u>	<u>4,578</u>
<b>Depreciation</b>					
At 1 January 2019	3	333	150	2,414	2,900
Charge for the year	2	43	18	394	457
Disposals	-	-	(36)	-	(36)
Exchange adjustments	-	-	(2)	-	(2)
At 31 December 2019	<u>5</u>	<u>376</u>	<u>130</u>	<u>2,808</u>	<u>3,319</u>
<b>Net book value</b>					
At 31 December 2019	<u>5</u>	<u>115</u>	<u>34</u>	<u>1,105</u>	<u>1,259</u>
At 31 December 2018	<u>8</u>	<u>159</u>	<u>40</u>	<u>1,305</u>	<u>1,512</u>

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**PIAS HOLDING (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**13. Tangible fixed assets (continued)**

**Company**

	Fixtures & fittings £000	Office equipment £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 January 2019	458	135	3,720	4,313
Additions	-	-	194	194
At 31 December 2019	<u>458</u>	<u>135</u>	<u>3,914</u>	<u>4,507</u>
<b>Depreciation</b>				
At 1 January 2019	330	109	2,415	2,854
Charge for the year	40	10	394	444
At 31 December 2019	<u>370</u>	<u>119</u>	<u>2,809</u>	<u>3,298</u>
<b>Net book value</b>				
At 31 December 2019	<u>88</u>	<u>16</u>	<u>1,105</u>	<u>1,209</u>
At 31 December 2018	<u>128</u>	<u>26</u>	<u>1,305</u>	<u>1,459</u>

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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14. Fixed asset investments

Group

	Investments in associates £000
<b>Cost or valuation</b>	
At 1 January 2019	20
At 31 December 2019	<u>20</u>
<b>Net book value</b>	
At 31 December 2019	<u>20</u>
At 31 December 2018	<u>20</u>

Company

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2019	1,728	20	1,748
Additions	10	-	10
At 31 December 2019	<u>1,738</u>	<u>20</u>	<u>1,758</u>
<b>Net book value</b>			
At 31 December 2019	<u>1,738</u>	<u>20</u>	<u>1,758</u>
At 31 December 2018	<u>1,728</u>	<u>20</u>	<u>1,748</u>

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PIAS HOLDING (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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14. 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.

15. Stocks

	Group 2019 £000	Group 2018 £000
Finished goods and goods for resale	2,436	2,047
	<u>2,436</u>	<u>2,047</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 £1,210k (2018: £776k). The Group held consignment stock of £3,209k (2018: £3,614k).

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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16. Debtors

	<b>Group 2019 £000</b>	<i>Group As restated 2018 £000</i>	<b>Company 2019 £000</b>	<i>Company 2018 £000</i>
Trade debtors	6,996	6,449	3	47
Amounts owed by group undertakings	143,173	111,205	33,807	24,546
Other debtors	12,655	10,716	5	18
Prepayments and accrued income	4,677	3,950	523	622
Deferred taxation	344	-	-	-
	<b>167,845</b>	<b>132,320</b>	<b>34,338</b>	<b>25,233</b>

17. Cash and cash equivalents

	<b>Group 2019 £000</b>	<i>Group 2018 £000</i>	<b>Company 2019 £000</b>	<i>Company 2018 £000</i>
Cash at bank and in hand	521	364	1	1
Less: bank overdrafts	(1,081)	(453)	-	-
	<b>(560)</b>	<b>(89)</b>	<b>1</b>	<b>1</b>

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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18. Creditors: Amounts falling due within one year

	<b>Group</b> <b>2019</b> <b>£000</b>	<i>Group</i> <i>2018</i> <i>£000</i>	<b>Company</b> <b>2019</b> <b>£000</b>	<i>Company</i> <i>2018</i> <i>£000</i>
Bank overdrafts	1,081	453	-	-
Bank loans	1,782	1,335	-	-
Trade creditors	12,271	10,486	-	-
Amounts owed to group undertakings	153,086	118,438	44,991	36,166
Corporation tax	27	44	-	-
Other taxation and social security	128	252	-	-
Other creditors	3,333	1,476	-	-
Accruals and deferred income	7,862	9,985	668	614
	<b>179,570</b>	<i>142,469</i>	<b>45,659</b>	<i>36,780</i>

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

- Mortgage debenture in bank's standard form dated 16 April 2002.
- Cross composite guarantee in the bank's standard form dated 18 June 2013 with PIAS Digital Limited.
- Cross composite guarantee in the bank's standard form dated 24 May 2017 with PIAS Recordings UK Limited, PIAS UK Limited, PIAS Digital Limited and PIAS Cooperative Limited

The bank liabilities relating to these guarantees as at 31 December 2019 amounted to £Nil (2018: £Nil).

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

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

	<b>Group</b> <b>2019</b> <b>£000</b>	<i>Group</i> <i>2018</i> <i>£000</i>
Bank loans	1,718	1,836
	<b>1,718</b>	<i>1,836</i>



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PIAS HOLDING (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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20. Deferred taxation

Group

	2019 £000
Charged to profit or loss	344
<b>At end of year</b>	<b>344</b>
	Group 2019 £000
Tax losses carried forward	344
	<b>344</b>

21. Share capital

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
2,500,286 Ordinary shares of £1.00 each	2,500	2,500

The ordinary shares have attached to them full voting, dividend and capital distribution rights.

22. 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.

23. Prior year adjustment

In the prior year in PIAS Wall of Sound Limited artists advances were classed as intangible fixed assets. This was reclassified as debtors falling due within one year to be consistent with other subsidiaries within Group. This has not impacted retained earnings at 1 January 2019.

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PIAS HOLDING (UK) LIMITED

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**24. Pension commitments**

The Company operates a defined contribution 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 £210k (2018: £180k). No contributions were outstanding at the balance sheet date.

**25. Commitments under operating leases**

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2019 £000</b>	<b>Group 2018 £000</b>
Not later than 1 year	<b>297</b>	<b>297</b>
Later than 1 year and not later than 5 years	<b>367</b>	<b>664</b>
	<b>664</b>	<b>961</b>

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**PIAS HOLDING (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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:

	<b>Sub Notes</b>	<b>2019 £000</b>	<b>2018 £000</b>
PIAS Digital	1	5,977	5,218
PIAS France	2	536	561
PIAS Group SPRL	2	(10,144)	(1,259)
PIAS US	2	687	-
PIAS Netherlands	2	157	-
PIAS Germany	2	7	-
PIAS Spain	2	60	-
PIAS Belgium	2	(2,117)	-
HM USA	2	(1)	-
PIAS Production	1	459	-
<b>Income/(expense)</b>			
PIAS Production	1	-	(2)
PIAS Digital	1	1,247	900
		<u>1,247</u>	<u>900</u>

**Sub notes**

- 1) These entities are fellow group companies operating in the UK.
- 2) These entities are fellow group companies operating overseas.

PIAS HOLDING (UK) LIMITED

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26. Related party transactions (continued)

Group

	Sub Notes	2019 £000	2018 £000
PIAS France	2	18,421	17,481
PIAS Production	1	(876)	(863)
Wall of Sound (Nordic)	1	(83)	-
F Communications	2	(119)	-
LGS 2 SPRL	2	(4,530)	(5,847)
PIAS Group SPRL	2	(15,384)	(6,682)
PIAS US	2	4,502	-
PIAS Netherlands	2	9,620	-
PIAS Digital	1	(71,336)	-
PIAS Germany	2	(1,801)	-
PIAS Spain	2	8,862	-
PIAS Belgium	2	37,151	-
Discograph	2	6	-
HM BE	2	(90)	-
HM GE	2	(62)	-
HM USA	2	1,999	-
HMM	2	3,618	-
<b>Income/(expenses)</b>			
PIAS France	2	2,518	1,827
LGS 2 SPRL	2	(65)	-
PIAS Digital	1	10,703	-
F Communications	2	(11)	-
<b>Transfers</b>			
PIAS France	2	(637)	(1,119)
LGS 2 SPRL	2	40	-
PIAS Digital	1	25,561	-

Sub notes

- 1) These entities are fellow group companies operating in the UK.
- 2) These entities are fellow group companies operating overseas.

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**PIAS HOLDING (UK) LIMITED**

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**27. Post balance sheet events**

The Group's business has been impacted by the COVID-19 global pandemic which has reduced physical sales and other incomes such as Neighbouring Rights and Synchronisation in 2020. In addition, certain releases were deferred from 2020 into future years. However, the Board took action to reduce overhead costs, have made use of government schemes and reduced working hours for staff such that there will not be a material impact on the financial results for 2020.

**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.