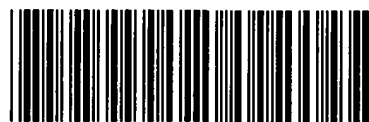

PIAS HOLDING (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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PIAS HOLDING (UK) LIMITED

COMPANY INFORMATION

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

PIAS HOLDING (UK) LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 - 8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 23

PIAS HOLDING (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present the Strategic Report for PIAS Holding (UK) Limited for the year ended 31 December 2020.

Principal Activity

PIAS Holding (UK) Limited acts as a managing and parent Company providing services to the Group companies whose principal activities are 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 Company's turnover increased slightly by 1.6% to £6.145 million (2019: £6.047 million).

Overheads were £6.0m and constant with 2019.

The Company's Operating Profit before foreign exchange gains or losses was £0.20 million compared to £0.16 million in 2019.

The Company's Operating Result after foreign exchange gains or losses was £44,000 (2019: £316,000).

On the 9th June 2021 of the group announced a strategic alliance with Universal Music Group (UMG). Whilst PIAS will remain independent, the partnership will enable both parties to share international distribution networks, expertise and resources for the benefit of all stakeholders.

Principal risks and uncertainties

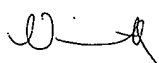
The Company is dependent on the success of the Group companies to which it provides management services.

Key Performance Indicators

The Company uses a number of performance indicators to monitor and manage the business effectively. The Company's financial and non-financial key performance indicators for the year ended 31 December 2020, together with comparatives for the year ended 31 December 2019, are set out below:

	2020	2019
	£000	£000
Total Turnover	6,145	6,047
Total Operating Profit before foreign exchange gains or losses	196	164
Average number of employees	52	52

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



N B Hartley
Director

Date: 05/08/2021

PIAS HOLDING (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £263k (2019: loss £15k).

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 Company will continue with the same business activities going forwards, in providing services to other Group companies.

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'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's auditor is aware of that information.

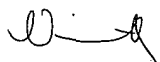
PIAS HOLDING (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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: 05/08/2021

PIAS HOLDING (UK) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company will continue in business.

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

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 2020 which comprise the Statement of other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including 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 Company's affairs as at 31 December 2020 and of its 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 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

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

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

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

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

We have nothing to report in this regard.

Opinions 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with the framework through:

- Outsourcing payroll, accounts preparation and tax compliance to external experts.
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.
- The Directors being closely involved in the day to day running of the business, meaning that any litigation or claims would come to their attention directly.
- Maintaining in-house legal expertise to manage any contractual matters.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significant in the context of the company:

- The Companies Act 2006 and FRS102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing journal entries
- Challenging management regarding the assumptions used in the estimates made.
- Substantive work on material areas affecting profits.
- Testing journals entries, focusing on postings to unexpected or unusual accounts.

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the 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 (Aug 9, 2021 08:52 GMT+1)

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: 09/08/2021

PIAS HOLDING (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Turnover	4	6,145	6,047
Gross profit		6,145	6,047
Administrative expenses		(6,011)	(5,883)
Foreign exchange (loss)/gain		(152)	152
Other operating income	5	62	-
Operating profit	6	44	316
Interest payable and expenses	10	(307)	(331)
Loss before taxation		(263)	(15)
Tax on loss		-	-
Loss for the financial year		(263)	(15)

There was no other comprehensive income for 2020 (2019: £Nil).

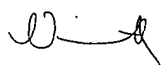
The notes on pages 12 to 23 form part of these financial statements.

PIAS HOLDING (UK) LIMITED
REGISTERED NUMBER:03592210

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	11	950	1,209
Investments	12	1,757	1,757
		<u>2,707</u>	<u>2,966</u>
Current assets			
Debtors: amounts falling due within one year	13	32,953	34,338
Cash at bank and in hand	14	1	1
		<u>32,954</u>	<u>34,339</u>
Creditors: amounts falling due within one year	15	(44,278)	(45,659)
Net current liabilities		<u>(11,324)</u>	<u>(11,320)</u>
Total assets less current liabilities		<u>(8,617)</u>	<u>(8,354)</u>
Net liabilities		<u>(8,617)</u>	<u>(8,354)</u>
Capital and reserves			
Called up share capital	16	2,500	2,500
Retained earnings	17	(11,117)	(10,854)
Shareholders' deficit		<u>(8,617)</u>	<u>(8,354)</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: 05/08/2021

The notes on pages 12 to 23 form part of these financial statements.

PIAS HOLDING (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Retained earnings £000	Total equity £000
At 1 January 2019	2,500	(10,839)	(8,339)
Comprehensive income for the year			
Loss for the year	-	(15)	(15)
At 1 January 2020	2,500	(10,854)	(8,354)
Comprehensive income for the year			
Loss for the year	-	(263)	(263)
At 31 December 2020	2,500	(11,117)	(8,617)

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

The Company's functional and presentational currency is GBP.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of LGS 2 SPRL as at 31 December 2020 and these financial statements may be obtained from Rue St Laurent 36-38, 1000 Bruxelles, Belgium.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Going concern

The company made a loss after tax for the period of £263k (2019: £15k) and had net liabilities of £8,617k (2019: £8,354k) at 31 December 2020.

The directors have made an assessment in preparing these financial statements as to whether the Company remains 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 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.

2.5 Revenue recognition

Turnover comprises fees arising from the provision of service to other group companies. Turnover is recognised as the services are provided, exclusive of Value Added Tax.

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.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

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 Company 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 Company. 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:

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.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Pensions

Defined contribution pension plan

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

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

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.12 Taxation

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 operates and generates income.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 Company are outlined below.

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 Company's total provision for intercompany debts is £2,551k (2019: £2,551k).

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 amounts of the Company's investments at 31 December 2020 was £1,758k (2019: £1,758k) and no impairment has been recognised against these investment balances in the year.

4. Turnover

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	6,145	6,047

5. Other operating income

	2020 £000	2019 £000
Government grants receivable	62	-

6. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	484	444
Defined contribution pension cost	78	73

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	75	85

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

8. Employees

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

	2020 £000	2019 £000
Wages and salaries	2,790	2,538
Social security costs	232	247
Cost of defined contribution scheme	78	73
	3,100	2,858

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

	2020 No.	2019 No.
Management	4	4
Operations and administration	48	48
	52	52

All staff costs are recognised and paid through PIAS UK Limited. The expenses are then recharged to the applicable entity.

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	213	291
Company contributions to defined contribution pension schemes	7	5
	<u>220</u>	<u>296</u>

During the year retirement benefits were accruing to 1 director (2019: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £163k (2019: £249k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7k (2019: £5k).

10. Interest payable and similar expenses

	2020 £000	2019 £000
Loans from group undertakings	<u>307</u>	<u>331</u>

PIAS HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Tangible fixed assets

	Fixtures & fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 January 2020	458	135	3,914	4,507
Additions	-	-	225	225
At 31 December 2020	458	135	4,139	4,732
Depreciation				
At 1 January 2020	370	119	2,809	3,298
Charge for the year	40	9	435	484
At 31 December 2020	410	128	3,244	3,782
Net book value				
At 31 December 2020	48	7	895	950
At 31 December 2019	88	16	1,105	1,209

12. Fixed asset investments

	Investments in subsidiary companies £000	Investment in joint ventures £000	Total £000
Cost or valuation			
At 1 January 2020	1,737	20	1,757
At 31 December 2020	1,737	20	1,757
Net book value			
At 31 December 2020	1,737	20	1,757
At 31 December 2019	1,737	20	1,757

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. 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%
Mike Recordings UK Limited (formerly 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%

*owned by PIAS Recordings UK Limited

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 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 Mike Recordings UK Limited (formerly PIAS Cooperative Limited) is 20 Sandown Road, Esher, Surrey, KT10 9TU.

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

Following the year end, PIAS Recordings Limited sold its investment in Mike Recordings UK Limited (formerly PIAS Cooperative Limited) and its associated trade at market value.

PIAS HOLDING (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Debtors

	2020	2019
	£000	£000
Trade debtors	3	3
Amounts owed by group undertakings	32,450	33,807
Other debtors	-	5
Prepayments and accrued income	500	523
	<u>32,953</u>	<u>34,338</u>

14. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	<u>1</u>	<u>1</u>

15. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Amounts owed to group undertakings	43,492	44,991
Accruals and deferred income	786	668
	<u>44,278</u>	<u>45,659</u>

16. Share capital

	2020	2019
	£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>

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

17. Reserves

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 2020

18. Contingent liabilities

PIAS Holding (UK) Limited has entered into a composite guarantee with PIAS UK Limited, PIAS Recordings UK Limited, PIAS Cooperative Limited and PIAS Digital Limited with Coutts & Co. This guarantee was released in May 2021.

19. 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 £78k (2019: £73k). No contributions were outstanding at the balance sheet date (2019: £Nil).

20. Related party transactions

Company

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

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

	Sub Notes	2020 £000	2019 £000
PIAS Digital	1	6,730	5,977
PIAS France	2	970	536
PIAS Group SRL	2	(10,407)	(10,144)
PIAS US	2	(614)	687
PIAS Netherlands	2	427	157
PIAS Germany	2	7	7
PIAS Spain	2	63	60
PIAS Belgium	2	(2,132)	(2,117)
HM USA	2	73	(1)
PIAS Production	1	-	459
Income/(expense)			
PIAS Digital	1	686	1,247

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Ultimate parent company

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

LGS 2 SRL, a company registered in Belgium, was the immediate and ultimate parent company throughout the year. Copies of the group financial statements are available from Rue St Laurent 36-38, 1000 Bruxelles, Belgium.

During the year the directors do not consider there was an ultimate controlling party. Subsequent to the year end, K Gates became the ultimate controlling party by virtue of his shareholding.