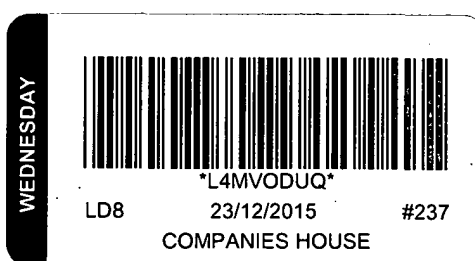


Registered number: 05994587

STEP ACQUISITIONCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015



STEP ACQUISITIONCO LIMITED

COMPANY INFORMATION

DIRECTORS

K Marsh
L Stewart Jr
A Kaplan
J Fukunaga
D Hopgood

REGISTERED NUMBER

05994587

REGISTERED OFFICE

Sony Pictures Europe House
25 Golden Square
London
W1F 9LU

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants
Statutory Auditor
10 Bricket Road
St Albans
Herts
AL1 3JX

STEP ACQUISITIONCO LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

STEP ACQUISITIONCO LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2015

The directors present their report and the audited financial statements for the 15 month period ended 31 March 2015. The comparative period is for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITY

The principal activity of the company is an investment company.

RESULTS AND DIVIDENDS

The profit for the financial period, after taxation, amounted to £29,665,257 (2013 - £7,109,805).

The directors do not recommend the payment of a final dividend (2013 - £Nil).

STEP ACQUISITIONCO LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2015

DIRECTORS

The directors who were in office during the period and up to the date of signing the financial statements were:

M Callagy (resigned 14 August 2014)
K Marsh (appointed 14 August 2014)
A Castle (appointed 14 August 2014, resigned 13 April 2015)
L Stewart Jr (appointed 14 August 2014)
A Kaplan (appointed 14 August 2014)
J Fukunaga (appointed 14 August 2014)
D Hopgood (appointed 13 April 2015)

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPEDENT AUDITORS

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

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the companies Act 2006.

This report was approved by the board on 22 December 2015 and signed on its behalf.



K Marsh
Director

STEP ACQUISITIONCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP ACQUISITIONCO LIMITED FOR THE PERIOD ENDED 31 MARCH 2015

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

- In our opinion, Step Acquisitionco Limited's financial statements (the "financial statements"):
- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the 15 month period (the "period") 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.

What we have audited

The financial statements, included within the (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

STEP ACQUISITIONCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP ACQUISITIONCO LIMITED FOR THE PERIOD ENDED 31 MARCH 2015

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

STEP ACQUISITIONCO LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEP ACQUISITIONCO LIMITED
FOR THE PERIOD ENDED 31 MARCH 2015**

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
22 December 2015

STEP ACQUISITIONCO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2015**

	Note	15 months ended 31 March 2015 £	Year ended 31 December 2013 £
Administrative expenses		(204,639)	(452,381)
OPERATING LOSS	2	(204,639)	(452,381)
Income from other fixed asset investments		30,139,099	-
Reversal of amounts written off investments		-	8,417,681
Interest payable and similar charges	4	(269,203)	(855,495)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,665,257	7,109,805
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL PERIOD/YEAR	9	£ 29,665,257	£ 7,109,805

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2013 other than those included in the Profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial period stated above and their historical cost equivalents.

The notes on pages 8 to 13 form part of these financial statements.

STEP ACQUISITIONCO LIMITED
REGISTERED NUMBER: 05994587

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	31 March 2015 £	31 December 2013 £
FIXED ASSETS			
Investments	6	59,637,681	59,637,681
TOTAL ASSETS LESS CURRENT LIABILITIES		59,637,681	59,637,681
CREDITORS: amounts falling due after more than one year	7		(32,504,459)
NET ASSETS		£ 59,637,681	£ 27,133,222
CAPITAL AND RESERVES			
Called up share capital	8	42,719,790	39,595,407
Profit and loss account	9	16,917,891	(12,462,185)
TOTAL SHAREHOLDERS' FUNDS	10	£ 59,637,681	£ 27,133,222

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2015.


K Marsh
 Director

The notes on pages 8 to 13 form part of these financial statements.

STEP ACQUISITIONCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1. Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of Investments in subsidiaries and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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

1.2 Going concern

The director is not aware of any circumstances likely to arise which may cause the going concern basis to be inappropriate.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Investments

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

1.5 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

The company contributes to personal pension plans on behalf of its employees. Contributions are charged to the profit and loss account as they become payable.

1.6 Interest

Income and expenditure arising on financial instruments is recognised on an accruals basis and taken to the profit and loss account in the financial period in which it arises.

1.7 Dividend income

Dividend income is recognised in the profit or loss on the date that the right to receive payment is established.

STEP ACQUISITION CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

2. OPERATING LOSS

The audit fees are borne by the subsidiary company, CSC Media Group Limited.

During the period, no director received any emoluments (2013 - £NIL).

3. STAFF COSTS

Staff costs were as follows:

	Period ended 31 March 2015 £	Year ended 31 December 2013 £
Wages and salaries	173,746	389,519
Social security costs	20,517	47,862
Other pension costs	10,376	15,000
	<u>£ 204,639</u>	<u>£ 452,381</u>

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

	Period ended 31 March 2015 No.	Year ended 31 December 2013 No.
Directors	5	1
Commercial management	1	2
	<u>6</u>	<u>3</u>

The directors received no emoluments in respect of their services to the company in the current financial period (2013 - £Nil).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 31 March 2015 £	Year ended 31 December 2013 £
On bank loans	-	458,281
Interest payable to group undertakings	269,203	397,214
	<u>£ 269,203</u>	<u>£ 855,495</u>

STEP ACQUISITION CO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Period ended 31 March 2015 £	Year ended 31 December 2013 £
UK corporation tax charge on profit for the period/year	£ -	£ -

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 21.4% (2013 - 23%). The differences are explained below:

	Period ended 31 March 2015 £	Year ended 31 December 2013 £
Profit on ordinary activities before tax	£ 29,665,257	£ 7,109,805
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.4% (2013 - 23%)	6,347,061	1,635,255
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	(1,936,066)
Dividends from UK companies	(6,448,442)	-
Group relief	101,381	300,811
Current tax charge for the period/year (see note above)	£ -	£ -

Factors that may affect future tax charges

The company has losses of £189,037 (2013 - £189,037) to carry forward against future taxable profits.

STEP ACQUISITIONCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

6. INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 January 2014 and 31 March 2015	<u>59,637,681</u>
Net book value	
At 31 March 2015	<u>£ 59,637,681</u>
At 31 December 2013	<u>£ 59,637,681</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
CSC Media Group Limited	Ordinary	100 %
Aqua Moon Games Limited **	Ordinary	60 %
Cloud Television One Limited *	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2015 and of the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
CSC Media Group Limited	18,740,122	7,887,868
Aqua Moon Games Limited	(357,655)	(24,933)
Cloud Television One Limited	<u>820,876</u>	<u>687,073</u>

* Held by subsidiary.

** Held by subsidiary. The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date.

STEP ACQUISITIONCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

7. CREDITORS:
Amounts falling due after more than one year

	31 March 2015 £	31 December 2013 £
Amounts owed to group undertakings	£ -	£ 32,504,459

Creditors include amounts not wholly repayable within 5 years as follows:

	31 March 2015 £	31 December 2013 £
Repayable other than by instalments	£ -	£ 2,944,143

Included within amounts owed to group undertakings in the prior year were loans due to the company's parent undertaking; Step Midco Limited.

8. CALLED UP SHARE CAPITAL

	31 March 2015 £	31 December 2013 £
Allotted, called up and fully paid		
42,719,790 (2013 - 39,595,407) Ordinary shares of £1 each	£ 42,719,790	£ 39,595,407

During the year the company allotted 3,124,383 Ordinary £1 equity shares, at par. All shares carry equal voting rights.

9. RESERVES

	Profit and loss account £
At 1 January 2014	(12,462,185)
Profit for the financial period	29,665,257
Dividends: Equity capital	(285,181)
At 31 March 2015	£ 16,917,891

STEP ACQUISITIONCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 March 2015 £	31 December 2013 £
Opening shareholders' funds	27,133,222	20,023,417
Profit for the financial period/year	29,665,257	7,109,805
Dividends (Note 11)	(285,181)	-
Shares issued during the period	3,124,383	-
Closing shareholders' funds	£ 59,637,681	£ 27,133,222

11. DIVIDENDS

	Period ended 31 March 2015 £	Year ended 31 December 2013 £
Dividends paid on equity capital (2015: £0.007) (2013: £0) per £1 share	£ 285,181	£ -

12. RELATED PARTY TRANSACTIONS

Transactions with group companies are not disclosed by virtue of the exemption available under Financial Reporting Standard No. 8 paragraph 3(c). The group prepares consolidated financial statements.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard Sony Corporation, a company incorporated in Japan, as the ultimate holding company and controlling party and Columbia Pictures Corporation Limited as the immediate parent company.

The smallest and largest group in which the results of the company are consolidated for the year ended 31 March 2015 is that headed by Sony Corporation. Copies of the consolidated financial statements of Sony Corporation which include the results of the company can be obtained from Baker & McKenzie, 100 New Bridge Street, London, EC4V 6JA.