

Company Registration No. 07509083 (England and Wales)

ED SHEERAN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



ED SHEERAN LIMITED

COMPANY INFORMATION

Director	E Sheeran
Company number	07509083
Registered office	41 Great Portland Street London W1W 7LA
Auditor	Hardwick & Morris LLP 41 Great Portland Street London W1W 7LA
Business address	41 Great Portland Street London W1W 7LA

ED SHEERAN LIMITED

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ED SHEERAN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents the strategic report for the year ended 31 December 2017.

Fair review of the business

	2017	2016	2015
	£	£	£
Turnover	36,293,611	17,157,143	14,952,246
Profit before tax	27,376,900	10,679,624	11,031,242

The performance of the company is measured by reference to turnover and the level of artist activity. Revenue during the year increased on the prior year due to the continued exploitation of music recording and song writing. Administrative costs have also increased as expected and in line with turnover.

The company had a net asset position at the balance sheet date of £7,559,266, an increase on £2,325,790 in 2016.

Future developments

Going forward the company's turnover is expected to remain strong but it will be dependant on the artist's continued success.

Principal risks and uncertainties

As the artist has worldwide popularity, the main risk facing the company is foreign exchange rates due to royalties being received in foreign currencies and in particular US dollars. To mitigate this risk the company monitors exchange rates regularly and takes appropriate action as necessary.

On behalf of the board



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E Sheeran

Director

28/09/2018

ED SHEERAN LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents his annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continued to be that of writing, recording and production of music.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

E Sheeran

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £16,850,000. The director does not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Hardwick & Morris be reappointed as auditors of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



E Sheeran

Director

Date: 28/09/2018

ED SHEERAN LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

ED SHEERAN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ED SHEERAN LIMITED

Opinion

We have audited the financial statements of Ed Sheeran Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and 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 company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

ED SHEERAN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ED SHEERAN LIMITED

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 director's report.

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

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director is 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 director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

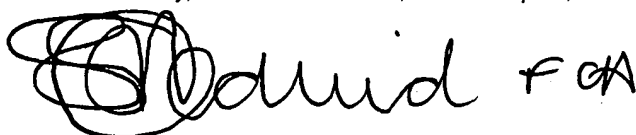
Auditor's responsibilities for the audit of the financial statements

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: <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 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.



Stephanie Hardwick FCA (Senior Statutory Auditor)
for and on behalf of Hardwick & Morris LLP

28/09/2018

Chartered Accountants
Statutory Auditor

41 Great Portland Street
London
W1W 7LA

ED SHEERAN LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	36,293,611	17,157,143
Administrative expenses		(8,927,114)	(6,499,970)
Operating profit	4	27,366,497	10,657,173
Interest receivable and similar income	7	11,378	25,527
Interest payable and similar expenses	8	(975)	(3,076)
Profit before taxation		27,376,900	10,679,624
Tax on profit	9	(5,293,424)	(2,133,176)
Profit for the financial year		22,083,476	8,546,448
Retained earnings brought forward		2,325,789	9,279,341
Dividends	10	(16,850,000)	(15,500,000)
Retained earnings carried forward		7,559,265	2,325,789

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

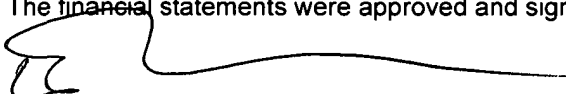
ED SHEERAN LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		134,079		159,319
Current assets					
Debtors	12	5,290,015		3,846,197	
Cash at bank and in hand		16,152,717		9,125,076	
		<u>21,442,732</u>		<u>12,971,273</u>	
Creditors: amounts falling due within one year	13	<u>(14,017,545)</u>		<u>(10,804,802)</u>	
Net current assets			<u>7,425,187</u>		<u>2,166,471</u>
Total assets less current liabilities			<u><u>7,559,266</u></u>		<u><u>2,325,790</u></u>
Capital and reserves					
Called up share capital	14		1		1
Profit and loss reserves			<u>7,559,265</u>		<u>2,325,789</u>
Total equity			<u><u>7,559,266</u></u>		<u><u>2,325,790</u></u>

The financial statements were approved and signed by the director and authorised for issue on 28/09/2018



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E Sheeran
Director

Company Registration No. 07509083

ED SHEERAN LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	17	27,265,438		18,351,679	
Interest paid		(975)		(3,076)	
Income taxes paid		(3,382,730)		(2,481,809)	
Net cash inflow from operating activities		23,881,733		15,866,794	
Investing activities					
Purchase of tangible fixed assets		(15,470)		(97,064)	
Interest received		11,378		25,527	
Net cash used in investing activities			(4,092)		(71,537)
Financing activities					
Dividends paid		(16,850,000)		(15,500,000)	
Net cash used in financing activities		(16,850,000)		(15,500,000)	
Net increase in cash and cash equivalents		7,027,641		295,257	
Cash and cash equivalents at beginning of year		9,125,076		8,829,819	
Cash and cash equivalents at end of year		16,152,717		9,125,076	

ED SHEERAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Ed Sheeran Limited is a private company limited by shares incorporated in England and Wales. The registered office is 41 Great Portland Street, London, W1W 7LA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover consists of recording, publishing and producer's royalties and advances, income derived from live performances and other sundry income which are all net of VAT and trade discounts. Royalty income is recognised on the contractual due date or, where this is unspecified, the date of receipt of cash. Live performance income is recognised by reference to the date of the performance.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

ED SHEERAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

ED SHEERAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ED SHEERAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no material estimates or judgements within the accounts.

3 Turnover and other revenue

The total turnover of the company for the year has been derived from its principal activity undertaken worldwide. It is not possible to differentiate between territories due to the nature of the transactions.

4 Operating profit

	2017	2016
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange losses/(gains)	524,312	(234,361)
Research and development costs	1,014	1,744
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	5,000
Depreciation of owned tangible fixed assets	40,710	38,851

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £524,312 (2016 - £234,361).

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Director	1	1

ED SHEERAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2017	2016
		£	£
	Wages and salaries	8,164	8,060
		<u> </u>	<u> </u>
6	Director's remuneration		
		2017	2016
		£	£
	Remuneration for qualifying services	8,164	8,060
		<u> </u>	<u> </u>
7	Interest receivable and similar income		
		2017	2016
		£	£
	Interest income		
	Interest on bank deposits	9,376	25,401
	Other interest income	2,002	126
		<u> </u>	<u> </u>
	Total income	11,378	25,527
		<u> </u>	<u> </u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	9,376	25,401
		<u> </u>	<u> </u>
8	Interest payable and similar expenses		
		2017	2016
		£	£
	Other finance costs:		
	Other interest	975	3,076
		<u> </u>	<u> </u>
9	Taxation		
		2017	2016
		£	£
	Current tax		
	UK corporation tax on profits for the current period	5,293,770	2,124,952
	Adjustments in respect of prior periods	(346)	8,224
		<u> </u>	<u> </u>
	Total current tax	5,293,424	2,133,176
		<u> </u>	<u> </u>

ED SHEERAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	27,376,900	10,679,624
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	5,270,053	2,135,925
Tax effect of expenses that are not deductible in determining taxable profit	23,371	(2,749)
Taxation charge for the year	5,293,424	2,133,176

10 Dividends

	2017 £	2016 £
Interim paid	16,850,000	15,500,000

11 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 January 2017	75,747	138,160	18,409	232,316
Additions	-	13,470	2,000	15,470
At 31 December 2017	75,747	151,630	20,409	247,786
Depreciation and impairment				
At 1 January 2017	3,030	58,406	11,561	72,997
Depreciation charged in the year	1,515	35,218	3,977	40,710
At 31 December 2017	4,545	93,624	15,538	113,707
Carrying amount				
At 31 December 2017	71,202	58,006	4,871	134,079
At 31 December 2016	72,717	79,754	6,848	159,319

ED SHEERAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Other debtors	289,930	200,584
Prepayments and accrued income	5,000,085	3,645,613
	<u>5,290,015</u>	<u>3,846,197</u>

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	75,394	78,600
Corporation tax	3,004,100	1,093,406
Other taxation and social security	154,622	34,105
Other creditors	9,271,807	5,878,130
Accruals and deferred income	1,511,622	3,720,561
	<u>14,017,545</u>	<u>10,804,802</u>

14 Share capital

	2017	2016
	£	£
Ordinary share capital Issued and fully paid 1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

ED SHEERAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

15 Related party transactions

Nathan Cable Touring LLP is a related party as E Sheeran is a director and shareholder in Ed Sheeran Limited and a partner in Nathan Cable Touring LLP.

Further Ed Sheeran Limited paid expenses on behalf of Nathan Cable Touring LLP in the sum of £501,085 (2016: £503,912). Nathan Cable Touring LLP paid expenses on behalf of Ed Sheeran Limited in the sum of £1,112,514 (2016: £10,760).

At the balance sheet date the sum of £nil (2016: £80,465) is due from Nathan Cable Touring LLP.

Sidewind Limited is a related party as E Sheeran is a director and shareholder in Ed Sheeran Limited and a director and shareholder in Sidewind Limited.

During the year Ed Sheeran Limited collected income on behalf of Sidewind Limited in the sum of £nil (2016: £67,924).

Further Ed Sheeran Limited paid expenses on behalf of Sidewind Limited in the sum of £1,179,363 (2016: £137,191).

At the balance sheet date the sum of £1,294,426 (2016: £115,063) was due from Sidewind Limited.

16 Directors' transactions

Dividends totalling £16,850,000 (2016 - £15,500,000) were paid in the year in respect of shares held by the company's director.

17 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	22,083,476	8,546,448
Adjustments for:		
Taxation charged	5,293,424	2,133,176
Finance costs	975	3,076
Investment income	(11,378)	(25,527)
Depreciation and impairment of tangible fixed assets	40,710	38,851
Movements in working capital:		
(Increase)/decrease in debtors	(1,443,818)	1,916,203
Increase in creditors	1,302,049	5,739,452
Cash generated from operations	27,265,438	18,351,679