

Company Registration No. 07509083 (England and Wales)

**ED SHEERAN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# ED SHEERAN LIMITED

## COMPANY INFORMATION

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

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# **ED SHEERAN LIMITED**

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# ED SHEERAN LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The director presents the strategic report for the year ended 31 December 2020.

#### Fair review of the business

	2020	2019	2018
	£	£	£
Turnover	31,674,527	48,120,900	32,645,445
Profit before tax	23,114,388	36,456,811	23,770,262

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

The company had a net asset position at the balance sheet date of £26,596,858, a decrease of £2,641,642 in 2019.

#### 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 a high profile within the music industry there is a risk that legal action may be raised against the company. Currently there are no provisions within the accounts in this respect.

Due to worldwide popularity the company is exposed to the risk of 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

E Sheeran

**Director**

30 September 2021

# **ED SHEERAN LIMITED**

## **DIRECTOR'S REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The director presents his annual report and financial statements for the year ended 31 December 2020.

#### **Principal activities**

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

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £21,350,000. The director does not recommend payment of a final dividend.

#### **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

#### **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**

30 September 2021

## **ED SHEERAN LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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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

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##### Opinion

We have audited the financial statements of Ed Sheeran Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and 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 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

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

##### Other information

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

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##### **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 director determines 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 intends to liquidate the company or to cease operations, or has 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.



## **ED SHEERAN LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF ED SHEERAN LIMITED**

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There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 member 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 member those matters we are required to state to him 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 member 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**

30 September 2021

**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 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	31,674,527	48,120,900
Administrative expenses		(8,605,457)	(11,752,572)
<b>Operating profit</b>	<b>4</b>	23,069,070	36,368,328
Interest receivable and similar income	<b>7</b>	45,765	90,837
Interest payable and similar expenses	<b>8</b>	(447)	(2,354)
<b>Profit before taxation</b>		23,114,388	36,456,811
Tax on profit	<b>9</b>	(4,406,030)	(6,931,700)
<b>Profit for the financial year</b>		18,708,358	29,525,111
Retained earnings brought forward		29,238,499	9,713,388
Dividends	<b>10</b>	(21,350,000)	(10,000,000)
Retained earnings carried forward		26,596,857	29,238,499

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 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11	1,854,000		-	
Tangible assets	12	5,706		5,280	
		1,859,706		5,280	
<b>Current assets</b>					
Debtors	13	729,992	2,083,956		
Cash at bank and in hand		34,092,913	35,130,385		
		34,822,905	37,214,341		
<b>Creditors: amounts falling due within one year</b>	14	(10,085,753)	(7,981,121)		
<b>Net current assets</b>		24,737,152		29,233,220	
<b>Net assets</b>		26,596,858		29,238,500	
<b>Capital and reserves</b>					
Called up share capital	15	1		1	
Profit and loss reserves		26,596,857		29,238,499	
<b>Total equity</b>		26,596,858		29,238,500	

The financial statements were approved and signed by the director and authorised for issue on 30 September 2021

E Sheeran  
Director

Company Registration No. 07509083

# ED SHEERAN LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	19	28,951,299		41,074,501	
Interest paid		(447)		(2,354)	
Income taxes paid		(6,617,424)		(6,653,699)	
<b>Net cash inflow from operating activities</b>		<b>22,333,428</b>		<b>34,418,448</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(2,060,000)		-	
Purchase of tangible fixed assets		(6,665)		-	
Proceeds on disposal of tangible fixed assets		-		85,038	
Interest received		45,765		90,837	
<b>Net cash (used in)/generated from investing activities</b>		<b>(2,020,900)</b>		<b>175,875</b>	
<b>Financing activities</b>					
Dividends paid		(21,350,000)		(10,000,000)	
<b>Net cash used in financing activities</b>		<b>(21,350,000)</b>		<b>(10,000,000)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,037,472)</b>		<b>24,594,323</b>	
Cash and cash equivalents at beginning of year		35,130,385		10,536,062	
<b>Cash and cash equivalents at end of year</b>		<b>34,092,913</b>		<b>35,130,385</b>	

# ED SHEERAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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. 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 and other sundry income which are all net of VAT and trade discounts. Royalties receivable are recorded using the accruals basis of accounting based on statement date, where unspecified, the date of receipt of cash.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Copyright	10 years
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#### 1.5 Tangible fixed assets

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

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

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 2020

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#### 1 Accounting policies

(Continued)

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

##### 1.7 Cash at bank and in hand

Cash and cash equivalents 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.

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **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.

## ED SHEERAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### **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.

##### **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.

##### **Derecognition of financial liabilities**

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.9 Taxation

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

# ED SHEERAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 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.

#### 1.10 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 in the period are included in profit or loss.

### 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

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	7,667	(143,308)
Research and development costs	-	142
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	6,239	28,015
Profit on disposal of tangible fixed assets	-	(14,528)
Amortisation of intangible assets	206,000	-
	<u>206,000</u>	<u>-</u>



## ED SHEERAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 5 Employees

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

	2020 Number	2019 Number
Employees	2	2

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	94,500	71,132
Pension costs	1,314	658
	95,814	71,790

#### 6 Director's remuneration

	2020 £	2019 £
Remuneration for qualifying services	12,500	8,632

#### 7 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	38,332	88,833
Other interest income	7,433	2,004
Total income	45,765	90,837

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	38,332	88,833
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#### 8 Interest payable and similar expenses

	2020 £	2019 £
<b>Other finance costs:</b>		
Other interest	447	2,354

## ED SHEERAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	4,406,030	6,931,700

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:

	2020 £	2019 £
Profit before taxation	23,114,388	36,456,811
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	4,391,734	6,926,794
Tax effect of expenses that are not deductible in determining taxable profit	14,296	4,906
Taxation charge for the year	4,406,030	6,931,700

#### 10 Dividends

	2020 £	2019 £
Interim paid	21,350,000	10,000,000

# ED SHEERAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Intangible fixed assets

	Copyright £
<b>Cost</b>	
At 1 January 2020	-
Additions	2,060,000
	<u>2,060,000</u>
At 31 December 2020	2,060,000
<b>Amortisation and impairment</b>	
At 1 January 2020	-
Amortisation charged for the year	206,000
	<u>206,000</u>
At 31 December 2020	206,000
<b>Carrying amount</b>	
At 31 December 2020	1,854,000
	<u><u>1,854,000</u></u>
At 31 December 2019	-
	<u><u>-</u></u>

### 12 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2020	150,310	20,409	170,719
Additions	4,999	1,666	6,665
	<u>155,309</u>	<u>22,075</u>	<u>177,384</u>
At 31 December 2020	155,309	22,075	177,384
<b>Depreciation and impairment</b>			
At 1 January 2020	145,531	19,908	165,439
Depreciation charged in the year	5,322	917	6,239
	<u>150,853</u>	<u>20,825</u>	<u>171,678</u>
At 31 December 2020	150,853	20,825	171,678
<b>Carrying amount</b>			
At 31 December 2020	4,456	1,250	5,706
	<u><u>4,456</u></u>	<u><u>1,250</u></u>	<u><u>5,706</u></u>
At 31 December 2019	4,779	501	5,280
	<u><u>4,779</u></u>	<u><u>501</u></u>	<u><u>5,280</u></u>

# ED SHEERAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	-	4,898
Corporation tax recoverable	165,414	-
Other debtors	441	909,875
Prepayments and accrued income	564,137	1,169,183
	<u>729,992</u>	<u>2,083,956</u>

### 14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	91,924	52,375
Corporation tax	-	2,045,980
Other taxation and social security	110,088	188,202
Other creditors	4,848,255	368,939
Accruals and deferred income	5,035,486	5,325,625
	<u>10,085,753</u>	<u>7,981,121</u>

### 15 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 16 Financial commitments, guarantees and contingent liabilities

Proceedings have been brought against Ed Sheeran Limited. It is impracticable to make an estimation of the financial effect, timing of the outflow or possibility of any reimbursement.

## ED SHEERAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 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.

During the year Ed Sheeran Limited received income on behalf of Nathan Cable Touring LLP in the sum of £nil (2019: £4,041,882).

Further, Ed Sheeran Limited paid expenses on behalf of Nathan Cable Touring LLP in the sum of £nil (2019: £1,259). Nathan Cable Touring LLP paid expenses on behalf of Ed Sheeran Limited in the sum of £nil (2019: £145,000).

At the balance sheet date the sum of £nil (2019: £nil) 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 paid expenses on behalf of Sidewind Limited in the sum of £nil (2019: £462,595).

At the balance sheet date the sum of £nil (2019: £909,701) was due from Sidewind Limited.

#### 18 Directors' transactions

Dividends totalling £21,350,000 (2019 - £10,000,000) were paid in the year in respect of shares held by the company's director.

#### 19 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	18,708,358	29,525,111
<b>Adjustments for:</b>		
Taxation charged	4,406,030	6,931,700
Finance costs	447	2,354
Investment income	(45,765)	(90,837)
Gain on disposal of tangible fixed assets	-	(14,528)
Amortisation and impairment of intangible assets	206,000	-
Depreciation and impairment of tangible fixed assets	6,239	28,015
<b>Movements in working capital:</b>		
Decrease in debtors	1,519,378	4,172,580
Increase in creditors	4,150,612	520,106
<b>Cash generated from operations</b>	<b>28,951,299</b>	<b>41,074,501</b>

## ED SHEERAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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20 Analysis of changes in net funds

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	35,130,385	(1,037,472)	34,092,913
	<u>          </u>	<u>          </u>	<u>          </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.