

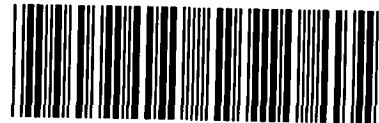
ole UK Services Ltd.

Annual Report and Financial Statements

31 December 2017

Company Number 09842703

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ole UK Services Ltd.

Annual Report and financial statements for the year ended 31 December 2017

Contents

Page:

1	Strategic report
2	Directors' report
4	Statement of directors responsibilities in respect of the annual report and financial statements
5	Independent auditor's report to the members of ole UK Services Ltd.
7	Profit and loss account and other comprehensive income
8	Balance sheet
9	Notes forming part of the financial statements

Directors

M Katz	(Appointed 17 September 2018)
Danilo Simonelli	(Appointed 17 September 2018)
C Giansante	(Terminated 17 September 2018)
R Ott	(Terminated 17 September 2018)
Denis Dinsmore	(Terminated 6 June 2017)
E Killin	(Terminated 20 July 2018)

Registered office

Pinnacle, 170 Midsummer Blvd.
Milton Keynes
MK9 1FE

Company number

09842703

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

ole UK Services Ltd.
Strategic report
for the year ended 31 December 2017

The Directors present their annual strategic report together with the audited financial statements for ole UK Services Ltd. ('the Company') for the year ended 31 December 2017.

Principle activities

The Company is a wholly owned subsidiary of ole Media Management L.P. (Canada). The Company's main activity is to support the parent company and its affiliates ('the Group'). The Group's principal activity is to act as a provider of services to the media and entertainment industry, including but not limited to, royalty and rights management services.

Review of business and future developments

As the Company's main activity is to support the Group companies, it does not engage in trading activities and is not expected to make a profit. The management fee disclosed within the profit and loss account represents costs recharged at a mark-up under the services agreement with ole Media Management L.P.

The Company was incorporated October 26, 2015 and operates in the city of London. Under a services agreement with ole Media Management L.P., the Company promotes and manages the Cavendish Music catalogue owned and/or controlled by ole Media Management L.P. ole UK Services Ltd. has approximately 10 employees performing these services.

No change in the nature of the Company's business is expected in the foreseeable future.

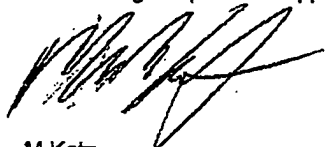
The Company generated \$1,492,112 in Management Fees in the current year, up from \$1,263,295 from prior year, while Administrative expenses are \$1,408,004 in the current year, up from \$1,251,321 from prior year.

Principal risks and uncertainties

The principal risk of the Company is the financial health and sustainability of the parent company, as its sole provider of financial resources.

Approval

This strategic report was approved on behalf of the Board on 19 November 2018.



M Katz

Director

ole UK Services Ltd.

Directors' report for the year ended 31 December 2017

The Directors present their annual report together with the audited financial statements for the Company for the 12-months ended 31 December 2017.

Results

The profit and loss account is set out on page 7 and shows the profit for the year.

Principal activities, trading review and future developments

The Company is a wholly owned subsidiary of ole Media Management L.P.

The Company is an authorized representative of ole Media Management L.P. to market and promote all of the production musical compositions within the Cavendish Music library that are composed, owned and/or controlled by ole Media Management L.P.

Charitable and political contributions

During the year the Company made no charitable contributions or political contributions (2016: \$0).

Proposed Dividends

No dividends have been proposed by the directors (2016: \$0).

Financial instruments, risk management, principal risks and uncertainties

The principal risk of the Company is the financial health and sustainability of the parent company, as its sole provider of financial resources.

Going concern

Notwithstanding net current liabilities of £335,111 as at 31 December 2017 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The Company is reliant on the support of its parent and the parent has stated it will continue to support the Company for at least the next 12 months, after the approval of the financial statements. The parent has agreed in writing that payment will not be demanded for a period of at least 12 months following the date of signing of the financial statements. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis. As with any company placing reliance on other group entities there is no guarantee that the support will continue, although the directors have no reason to believe that it will do so.

ole UK Services Ltd.

**Directors' report
for the year ended 31 December 2017 (continued)**

Directors

The Directors of the Company during the year were:

M Katz	(Appointed 17 September 2018)
Danilo Simonelli	(Appointed 17 September 2018)
C Giansante	(Terminated 17 September 2018)
R Ott	(Terminated 17 September 2018)
Denis Dinsmore	(Terminated 6 June 2017)
E Killin	(Terminated 20 July 2018)

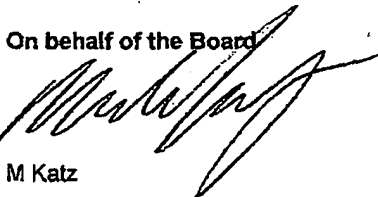
Disclosure of information to auditor

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



M Katz

Director

19 November 2018

ole UK Services Ltd.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLE UK SERVICES LTD.

Opinion

We have audited the financial statements of Ole UK Services Ltd. ("the company") for the year ended 31 December 2017, which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet and related notes, including the accounting policies in note 1.

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 UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.

We have nothing to report in these respects.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLE UK SERVICES LTD (continued)

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Chrissy Douka (senior statutory auditor)
For and on behalf of KPMG, statutory auditor
15 Canada Square
London
E14 5GL
United Kingdom

20 November 2018

ole UK Services Ltd.

Profit and loss account and other comprehensive income (Expressed in U.S. dollars) for the year ended 31 December 2017

	Note	2017 \$	2016 \$
Management Fee	2	1,492,112	1,263,295
Administrative expenses	4	(1,408,004)	(1,251,321)
Profit on ordinary activities before taxation and amortization		84,108	11,974
Income tax expense	5	(63,190)	(2,395)
Profit for the year		20,918	9,579

All amounts relate to continuing activities.
There is no other comprehensive income for the period.
The notes on pages 9 to 16 form part of these financial statements.

ole UK Services Ltd.

Balance sheet (Expressed in U.S. dollars) at 31 December 2017

	Note	2017 \$	2017 \$	2016 \$	2016 \$
Fixed assets					
Tangible Assets	6		353,119		560,605
Intangible Assets	7		12,490		-
			<u>365,609</u>		<u>560,605</u>
Current assets					
Debtors	8	210,999		205,492	
		<u>210,999</u>		<u>205,492</u>	
Creditors: amounts falling due within one year	9	(546,110)		(756,517)	
		<u>(335,111)</u>		<u>(551,025)</u>	
Net current liabilities					
Total assets less current liabilities			<u>30,498</u>		<u>9,580</u>
Net asset			<u>30,498</u>		<u>9,580</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		30,497		9,579
			<u>30,498</u>		<u>9,580</u>
Shareholders' funds			<u>30,498</u>		<u>9,580</u>

The financial statements have been prepared in accordance with the provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors and authorised for issue on 19 November 2018.

M Katz

Director

Company number 09842703

The notes on pages 9 to 16 form part of these financial statements.

ole UK Services Ltd.

Notes forming part of the financial statements
(Expressed in U.S. dollars)
for the year ending 31 December 2017

1 Accounting policies

ole UK Services Ltd. (the "Company") is a company limited by shares and incorporated and domiciled in England in the United Kingdom.

These financial statements were prepared in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities) (FRS 102). The presentation currency of these financial statements is US Dollars.

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The Company's parent undertaking, ole Media Management L.P. includes the Company in its consolidated financial statements. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

As the consolidated financial statements of ole Media Management L.P. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Going concern

Notwithstanding net current liabilities of £335,111 as at 31 December 2017 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is reliant on the support of its parent and the parent has stated it will continue to support the Company for at least the next 12 months, after the approval of the financial statements. The parent has agreed in writing that payment will not be demanded for a period of at least 12 months following the date of signing of the financial statements. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis. As with any company placing reliance on other group entities there is no guarantee that the support will continue, although the directors have no reason to believe that it will do so.

1.2 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign

ole UK Services Ltd.

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Any differences are taken to the profit and loss account.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less accumulated impairment loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.4 Tangible assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Leasehold improvements	- 33.3% straight line basis
Fixtures, fittings and equipment	- 12.5% straight line basis
Computers	- 40% straight line basis
Electronics	- 20% straight line basis

ole UK Services Ltd.

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

1.4 Tangible assets and depreciation (continued)

Depreciation methods and useful lives are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.5 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

2 Management fee

The management fee of \$1,492,112 (2016: \$1,263,295) represents the fee charged by Ole UK Services Ltd to its parent company and is based on costs incurred during the period plus an agreed mark-up as per the services agreement. Turnover is wholly from operations in the United Kingdom.

3 Employees

	2017	2016
	\$	\$
Staff costs consist of:		
Wages and salaries	409,094	444,022
Social security costs	40,005	29,700
Pension contributions	9,988	9,565
	<u>459,087</u>	<u>483,287</u>
The average number of employees (including directors) during the year was as follows:	Number	Number
ole UK Services Ltd.	<u>11</u>	<u>13</u>

ole UK Services Ltd.

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

3 Employees (continued)

Directors Remuneration

There are no directors remuneration to date paid by the Company. The directors are remunerated for their services to the group as a whole. The directors provided no substantial services during the year and hence this amount is not disclosed.

4 Expenses and auditors remuneration

	2017 \$	2016 \$
Audit of these financial statements	12,360	12,000
<i>Amounts receivable by the company's auditor and its associates in respect of:</i>		
Tax compliance services	14,000	13,000

5 Taxation

Total tax expense recognised in the profit and loss account

	2017 \$	2016 \$
<i>Current tax</i>		
Current tax on income for the period	63,190	2,395
Total tax	63,190	2,395

Reconciliation of effective tax rate

	2017 \$	2016 \$
Profit before tax	84,108	11,974
Tax using the UK corporation tax rate of 19.25% (2016:20.00%)	16,192	2,395
Non-deductible expenses	46,998	-
Total tax included in profit or loss	63,190	2,395

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future tax charge accordingly.

ole UK Services Ltd.

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

6 Tangible assets

	Computers \$	Electronics \$	Furniture & Fixtures \$	Leasehold improvements \$	Total \$
Cost					
At 1 Jan 2017	38,602	19,701	27,502	584,205	670,010
Additions	661	9,901	50	-	10,612
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
 At 31 December 2017	 39,263	 29,602	 27,552	 584,205	 680,622
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 Jan 2017	458	1,750	2,033	105,163	109,404
Charge for the year	15,508	4,431	3,444	194,715	218,098
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
 At 31 December 2017	 15,966	 6,181	 5,477	 299,878	 327,502
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2017	23,297	23,421	22,075	284,326	353,119
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
 At 31 Dec 2016	 38,114	 17,950	 25,468	 479,042	 560,605

The net book value of the tangible fixed assets includes \$353,119. The depreciation charge in respect of such assets amounted to \$218,098 for the year.

ole UK Services Ltd.

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

7 Intangible assets	Software	Total
	\$	\$
<i>Cost</i>		
At 1 Jan 2017	-	-
Additions	13,800	13,800
	<hr/>	<hr/>
At 31 December 2017	13,800	13,800
	<hr/>	<hr/>
At 1 Jan 2017	-	-
Charge for the year	1,310	1,310
	<hr/>	<hr/>
At 31 December 2017	1,310	1,310
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2017	12,490	12,490
	<hr/>	<hr/>

The net book value of the intangible fixed assets includes \$12,490. The depreciation charge in respect of such assets amounted to \$1,310 for the year.

8 Debtors	2017	2016
	\$	\$
Trade Debtors	1,445	1,445
VAT Taxes Receivable	109,022	96,445
Prepayments	100,532	107,602
	<hr/>	<hr/>
	210,999	205,492
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year	2017	2016
	\$	\$
Income Taxes owing	54,864	2,395
Trade creditors	39,002	69,530
Amount due to parent	452,244	684,592
	<hr/>	<hr/>
	546,110	756,517
	<hr/>	<hr/>

ole UK Services Ltd.

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

9 Creditors: amounts falling due within one year (continued)

Amount due to parent

These services are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due from parent are non-interest bearing, are unsecured and repayable on demand.

10 Share capital

Allotted, called up and fully paid

	2017 Number	2017 \$	2016 Number	2016 \$
1 Ordinary shares of \$1 each	1	1	1	1

11 Reserves

	Profit and loss account \$
At 1 January 2017	9,579
Profit for the year	20,918
At 31 December 2017	30,497

No dividend proposed by the directors in the 12-months ended 31st December 2017.

12 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 \$	2016 \$
Less than one year	134,868	129,940
Between one and five years	674,341	519,761
More than five years	404,605	647,679
	1,213,814	1,297,380

During the period \$181,519 is recognised as an expense in the profit and loss account in respect of operating leases.

ole UK Services Ltd.

**Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)**

13 Ultimate parent company

The ultimate parent is ole Media Management L.P.

Amount due to parent

These services are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due from parent are non-interest bearing, are unsecured and repayable on demand.