

# Syco Holdings Limited

Annual Report and Financial Statements

For the year ended 31 March 2022

Company Registration No. 09670726 (England and Wales)

# Syco Holdings Limited

## Company Information

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<b>Directors</b>	S Cowell I I Rosenblatt
<b>Company number</b>	09670726
<b>Registered office</b>	9-13 St Andrew Street London EC4A 3AF
<b>Auditor</b>	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP
<b>Business address</b>	9-13 St. Andrew Street London United Kingdom EC4A 3AF

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# Syco Holdings Limited

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# Syco Holdings Limited

## Strategic Report

For the year ended 31 March 2022

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The directors present the strategic report for the year ended 31 March 2022.

### Business review and results

The Group made a profit for the financial period of £2,268,329 (2021: £31,844,939).

### Principal risks and uncertainties

The Group considers its key risk and uncertainties to be as follows:

- Change in audience behaviour resulting in fragmented audiences for traditional television broadcasters, leading to uncertainty and potentially reduced investment in new formats;

The Group manages and mitigates this risk by developing and expanding its reach on non-traditional broadcast platforms.

### Key performance indicators (KPI's)

The Group's key financial and other performance indicators during the period were as follows:

		2022	2021
Gross profit	£23,888,942	£15,047,978	
Operating profit	£4,597,165	£11,387,276	
Net assets	£85,905,811	£83,717,177	

Television ratings are our key non-financial indicator of television format performance. The Got Talent format has been commissioned in 75 territories worldwide and holds the Guinness World Records title for highest number of adaptations. Got Talent airs in 194 countries around the world. In total more than one billion global viewers tune in every year to watch Got Talent. Local versions of The X Factor are commissioned in 57 territories, and around the world The X Factor airs in 187 countries.

### Future developments

Prospects for further growth in production of formats across the world continue to be strong with additional territories forecast to launch in the next 12 months.

On behalf of the board

Il Rosenblatt  
Director

30 September 2022

# Syco Holdings Limited

## Directors' Report

For the year ended 31 March 2022

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The directors present their report and the financial statements for the year ended 31 March 2022.

### Principal activities

The principal activity of the company continued to be that of a holding company.

The principal activities of the group are that of artistic and TV format creation

### Directors

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

S Cowell  
I I Rosenblatt

### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £nil. No further dividends were declared.

### Auditor

Moore Kingston Smith LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006 and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

# Syco Holdings Limited

## Directors' Report (Continued)

For the year ended 31 March 2022

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### **Matters included in the Strategic Report**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

### **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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

II Rosenblatt

**Director**

30 September 2022

# Syco Holdings Limited

## Independent Auditor's Report

To the Members of Syco Holdings Limited

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### Opinion

We have audited the financial statements of Syco Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group 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 group's and the parent company's affairs as at 31 March 2022 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### 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 directors are 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.

# Syco Holdings Limited

## Independent Auditor's Report (Continued)

### To the Members of Syco Holdings Limited

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#### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report

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

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

#### **Responsibilities of directors**

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

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



# Syco Holdings Limited

## Independent Auditor's Report (Continued)

### To the Members of Syco Holdings Limited

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#### **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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Syco Holdings Limited

## Independent Auditor's Report (Continued)

### To the Members of Syco Holdings Limited

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#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

#### **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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

**Matthew Meadows (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

5 October 2022

**Chartered Accountants**  
**Statutory Auditor**

6th Floor  
9 Appold Street  
London  
EC2A 2AP

# Syco Holdings Limited

## Group Statement of Comprehensive Income

For the year ended 31 March 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	27,337,975	15,040,816
Cost of sales		(3,449,033)	7,162
<b>Gross profit</b>		23,888,942	15,047,978
Administrative expenses		(19,291,777)	(3,660,702)
<b>Operating profit</b>	<b>4</b>	4,597,165	11,387,276
Share of results of associates and joint ventures		-	7,290,281
Interest payable and similar expenses	<b>8</b>	-	(518,994)
Profit on financial assets at fair value through profit and loss account	<b>9</b>	-	15,511,582
<b>Profit before taxation</b>		4,597,165	33,670,145
Tax on profit	<b>10</b>	(2,328,836)	(1,785,491)
<b>Profit for the financial year</b>	<b>21</b>	2,268,329	31,884,654
<b>Other comprehensive income</b>			
Currency translation differences		(79,695)	(39,715)
<b>Total comprehensive income for the year</b>		2,188,634	31,844,939
Profit for the financial year is attributable to:			
- Owners of the parent company		2,198,696	31,884,654
- Non-controlling interests		69,633	-
		2,268,329	31,884,654
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		2,119,001	31,844,939
- Non-controlling interests		69,633	-
		2,188,634	31,844,939

# Syco Holdings Limited

## Group Balance Sheet

As at 31 March 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Goodwill	12	93,312,411	99,474,551
<b>Current assets</b>			
Debtors	16	12,426,644	12,347,577
Cash at bank and in hand		11,760,290	16,318,757
		24,186,934	28,666,334
<b>Creditors: amounts falling due within one year</b>	17	(12,593,534)	(44,423,708)
<b>Net current assets/(liabilities)</b>		11,593,400	(15,757,374)
<b>Total assets less current liabilities</b>		104,905,811	83,717,177
<b>Creditors: amounts falling due after more than one year</b>	18	(19,000,000)	-
<b>Net assets</b>		85,905,811	83,717,177
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Share premium account	21	23,333,233	23,333,233
Other reserves	21	999,850	999,850
Profit and loss reserves	21	61,502,995	59,383,994
<b>Equity attributable to owners of the parent company</b>		85,836,178	83,717,177
<b>Non-controlling interests</b>		69,633	-
		85,905,811	83,717,177

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

I I Rosenblatt  
Director

# Syco Holdings Limited

## Company Balance Sheet

As at 31 March 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investments	13	110,134,137		110,134,137	
<b>Current assets</b>					
Debtors	16	-		5,859,653	
Cash at bank and in hand		22,666		22,801	
		22,666		5,882,454	
<b>Creditors: amounts falling due within one year</b>	17	(7,999,994)		(36,859,647)	
<b>Net current liabilities</b>		(7,977,328)		(30,977,193)	
<b>Total assets less current liabilities</b>		102,156,809		79,156,944	
<b>Creditors: amounts falling due after more than one year</b>	18	(19,000,000)		-	
<b>Net assets</b>		83,156,809		79,156,944	
<b>Capital and reserves</b>					
Called up share capital	20	100		100	
Share premium account	21	23,333,233		23,333,233	
Other reserves	21	999,850		999,850	
Profit and loss reserves	21	58,823,626		54,823,761	
<b>Total equity</b>		83,156,809		79,156,944	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,999,865 (2021 - £64,234,275 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

I I Rosenblatt  
Director

Company Registration No. 09670726

# Syco Holdings Limited

## Group Statement of Changes in Equity For the year ended 31 March 2022

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total non-controlling interest	controlling interest	Total
Notes	£	£	£	£	£	£	£
<b>Balance at 1 April 2020</b>	9,248,300	72,424,697	999,850	26,224,449	108,897,296	-	108,897,296
<b>Year ended 31 March 2021:</b>							
Profit for the year	-	-	-	31,884,654	31,884,654	-	31,884,654
Other comprehensive income:							
Currency translation differences on overseas subsidiaries	-	-	-	(39,715)	(39,715)	-	(39,715)
Total comprehensive income for the year							
Issue of share capital	20	100	23,333,233	-	31,844,939	31,844,939	-
Dividends	11	-	-	(45,358,391)	(45,358,391)	-	(45,358,391)
Priority shares	-	-	-	(35,000,000)	(35,000,000)	-	(35,000,000)
Reduction of shares	20	(9,248,300)	(72,424,697)	81,672,997	-	-	-
<b>Balance at 31 March 2021</b>	100	23,333,233	999,850	59,383,994	83,717,177	-	83,717,177
<b>Year ended 31 March 2022:</b>							
Profit for the year	-	-	-	2,198,696	2,198,696	69,633	2,268,329
Other comprehensive income:							
Currency translation differences on overseas subsidiaries	-	-	-	(79,695)	(79,695)	-	(79,695)
Total comprehensive income for the year	-	-	-	2,119,001	2,119,001	69,633	2,188,634
<b>Balance at 31 March 2022</b>	100	23,333,233	999,850	61,502,995	85,836,178	69,633	85,905,811

## Syco Holdings Limited

### Company Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital	Share premium account	Other reserves	Profit and losses	Total
Notes	£	£	£	£	£
<b>Balance at 1 April 2020</b>	9,248,300	72,424,697	999,850	(10,725,120)	71,947,727
<b>Year ended 31 March 2021:</b>					
Profit and total comprehensive income for the year	-	-	-	64,234,275	64,234,275
Issue of share capital	20	100	23,333,233	-	23,333,333
Dividends	11	-	-	(45,358,391)	(45,358,391)
Priority shares	-	-	-	(35,000,000)	(35,000,000)
Reduction of shares	20	(9,248,300)	(72,424,697)	-	-
<b>Balance at 31 March 2021</b>	100	23,333,233	999,850	54,823,761	79,156,944
<b>Year ended 31 March 2022:</b>					
Profit and total comprehensive income for the year	-	-	-	3,999,865	3,999,865
<b>Balance at 31 March 2022</b>	100	23,333,233	999,850	58,823,626	83,156,809

# Syco Holdings Limited

## Group Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	25		(29,564,853)		10,111,048
Income taxes paid			(1,993,614)		(865,943)
<b>Net cash (outflow)/inflow from operating activities</b>			(31,558,467)		9,245,105
<b>Investing activities</b>					
Cash acquired with subsidiaries		-		5,146,712	
Dividends received				38,411,085	
<b>Net cash (used in)/generated from investing activities</b>			-		43,557,797
<b>Financing activities</b>					
Repayment of deferred consideration		-	(23,936,272)		
Receipt of deferred consideration		-	23,936,272		
Repayment of priority shares	27,000,000		(4,000,000)		
Repayment of loan notes			(20,201,815)		
Receipt of loan notes		-	14,893,990		
Dividends paid to equity shareholders		-	(27,243,612)		
<b>Net cash generated from/(used in) financing activities</b>			27,000,000		(36,551,437)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(4,558,467)		16,251,465
Cash and cash equivalents at beginning of year			16,318,757		67,292
<b>Cash and cash equivalents at end of year</b>			11,760,290		16,318,757



# Syco Holdings Limited

## Notes to the Financial Statements

For the year ended 31 March 2022

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### 1 Accounting policies

#### Company information

Syco Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 9-13 St Andrew Street, London, EC4A 3AF.

The group consists of Syco Holdings Limited and all of its subsidiaries.

#### 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 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company Syco Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This is based on an assessment of the group forecasts and cash flows for the next 3 years. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors do not consider Covid-19 to have had a detrimental impact on the groups future activities.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 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 group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and 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.

##### **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.

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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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 group 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 group after deducting all of its 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 1 Accounting policies

(Continued)

#### **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 group's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.10 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 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 group's accounting policies, the directors are 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.

### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
UK	5,506,177	4,312,818
USA	12,945,948	3,178,007
ROW	8,885,850	7,549,991
	<u>27,337,975</u>	<u>15,040,816</u>

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	334,718	(130,410)
Amortisation of goodwill on consolidation	6,162,140	6,162,140
Release of negative goodwill	-	(7,624,638)
	<u>          </u>	<u>          </u>

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 £334,718 (2021 - £130,410).

### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	52,000	50,000
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	11,000	11,000
	<u>          </u>	<u>          </u>

### 6 Employees

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

Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
17	36	-	-
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	8,337,812	2,548,446	-	-
Social security costs	951,507	476,823	-	-
Pension costs	216,452	101,166	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	9,505,771	3,126,435	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	617,000	359,917

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	617,000	359,917

### 8 Interest payable and similar expenses

	2022 £	2021 £
<b>Other finance costs:</b>		
Other interest	-	518,994

### 9 Fair value gains and losses

	2022 £	2021 £
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	-	15,511,582

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	2,029,840	1,528,863
Foreign current tax on profits for the current period	42,368	-
Total current tax	2,072,208	1,528,863
<b>Deferred tax</b>		
Origination and reversal of timing differences	256,628	256,628
Total tax charge	2,328,836	1,785,491



# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 10 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:

	2022 £	2021 £
Profit before taxation	4,597,165	33,670,145
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	873,461	6,397,328
Tax effect of expenses that are not deductible in determining taxable profit	(6,422)	(1,228,757)
Unutilised tax losses carried forward	44	-
Amortisation on assets not qualifying for tax allowances	1,170,807	(277,875)
Effect of revaluations of investments	-	(2,947,201)
Other permanent differences	-	98,609
Effect of overseas tax rates	(8,050)	-
Deferred tax adjustments in respect of prior years	298,996	-
Taxable losses	-	14
Other movements	-	(256,627)
Taxation charge	2,328,836	1,785,491

### 11 Dividends

	2022 £	2021 £
Paid	-	45,358,391

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 12 Intangible fixed assets

Group	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>			
At 1 April 2021 and 31 March 2022	105,636,691	(7,624,638)	98,012,053
<b>Amortisation and impairment</b>			
At 1 April 2021	6,162,140	(7,624,638)	(1,462,498)
Amortisation charged for the year	6,162,140	-	6,162,140
At 31 March 2022	12,324,280	(7,624,638)	4,699,642
<b>Carrying amount</b>			
At 31 March 2022	93,312,411	-	93,312,411
At 31 March 2021	99,474,551	-	99,474,551

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

### 13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	110,134,137	110,134,137

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2021 and 31 March 2022	110,134,137
<b>Carrying amount</b>	
At 31 March 2022	110,134,137
At 31 March 2021	110,134,137

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Syco Entertainment Limited	England and Wales	Ordinary	100.00	-
Maidmetal Limited	England and Wales	Ordinary	0	100.00
Maidmetal Entertainment Limited	England and Wales	Ordinary	0	100.00
Syco Entertainment Inc	USA	Ordinary	0	100.00
Saban Brands Music LLC	USA	Ordinary	0	100.00
The Rush Productions LLC	USA	Ordinary	0	100.00
Musica Entertainment LLC	USA	Ordinary	0	100.00
Crystal Entertainment Limited	England and Wales	Ordinary	0	100.00
Syco Touring Limited	England and Wales	Ordinary	0	100.00
Over The Top Productions Limited	England and Wales	Ordinary	0	70.00

### 15 Associates

Details of associates at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
X F Musical Limited	England and Wales	Ordinary	0	43

### 16 Debtors

	Group		Company	
	2022	2021	2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	271,842	36,939	-	-
Unpaid share capital	1,000	-	-	-
Corporation tax recoverable	11	-	-	-
Amounts owed by group undertakings	-	5,723	-	-
Other debtors	142,884	177,910	-	5,859,653
Prepayments and accrued income	12,010,907	12,127,005	-	-
	<u>12,426,644</u>	<u>12,347,577</u>	<u>-</u>	<u>5,859,653</u>

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade creditors	471,450	172,165	-	-
Corporation tax payable	579,415	543,189	(6)	-
Other taxation and social security	526,460	918,889	-	-
Other creditors	23,287,636	39,725,753	8,000,000	36,859,647
Accruals and deferred income	(12,271,427)	3,063,712	-	-
	<u>12,593,534</u>	<u>44,423,708</u>	<u>7,999,994</u>	<u>36,859,647</u>

Other creditors include £8,000,000 in respect of amounts payable to the priority shareholder (see note 19).

### 18 Creditors: amounts falling due after more than one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other creditors	<u>19,000,000</u>	<u>-</u>	<u>19,000,000</u>	<u>-</u>

Other creditors include £19,000,000 in respect of amounts payable to the priority shareholder.

### 19 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>216,452</u>	<u>101,166</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 20 Share capital

	Group and company	
	2022 £	2021 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50 Ordinary shares of £1 each	50	50
50 Priority shares of £1 each	50	50
	<u>100</u>	<u>100</u>

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 21 Reserves

#### *Other reserves*

Other reserves include capital contributions and currency reserves.

#### *Profit and loss reserves*

This reserve records the cumulative profits and losses arising in each period.

### 22 Related party transactions

During the period there were transactions with a director and at the period end the group owed the director £511,964 (2021: £310,000).

The company has taken advantage of the exemption available in section 33 of FRS 102 whereby it has not disclosed transactions with any fellow wholly owned group undertaking.

All inter-company transactions and balances are eliminated on consolidation.

### 23 Events after the reporting date

On 30th September 2022 the group entered into a debt facility agreement. Funds were drawn down and liabilities due to Sony PLC were repaid.

### 24 Controlling party

A director, S Cowell, is considered to be the ultimate controlling party.

### 25 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	2,188,634	31,884,684
Adjustments for:		
Share of results of associates and joint ventures	-	(7,290,281)
Taxation charged	2,029,840	1,785,491
Finance costs	-	518,994
Amortisation and impairment of intangible assets	6,162,140	(1,462,498)
Profit on financial assets at fair value through profit and loss account	-	(15,511,582)
Movements in working capital:		
(Increase)/decrease in debtors	(79,067)	31,670,068
(Decrease) in creditors	(39,866,400)	(31,483,828)
<b>Cash (absorbed by)/generated from operations</b>	<b>(29,564,853)</b>	<b>10,111,048</b>

# Syco Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 26 Analysis of changes in net funds - group

	1 April 2021	Cash flows 31 March 2022	
	£	£	£
Cash at bank and in hand	16,318,757	(4,558,467)	11,760,290
	<u>16,318,757</u>	<u>(4,558,467)</u>	<u>11,760,290</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.