Financial Statements

LBP The Replacement Limited

For the period ended 31 March 2017

Registered number: 10107841

Company Information

Directors	A Harries M Kehoe G Wilson P Keith (appointed 6 April 2016, resigned 6 April 2016)
Company secretary	M Kehoe
Registered number	10107841
Registered office	27 - 28 Eastcastle Street London W1W 8DH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	Coutts & Co Media Banking 440 Strand London WC2R 0QS

Contents

Directors' report
For the period ended 31 March 2017

The directors present their report and the financial statements for the period ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Principal activities

The company was incorporated on 6 April 2016. The principal activity of the company during the period was the production and development of film & television programmes and the exploitation of programme rights.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will have sufficient working capital facilities to enable it to continue in business for the next 12 months from approving the financial statements. In reaching this conclusion the directors have considered the support of the parent company.

Directors

The directors who served during the period were:

A Harries (appointed 6 April 2016)
M Kehoe (appointed 6 April 2016)
G Wilson (appointed 6 April 2016)
P Keith (appointed 6 April 2016, resigned 6 April 2016)

Directors' report (continued)

For the period ended 31 March 2017

Disclosure of information to auditor

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

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

G Wilson
Director
Date: 18/10/17

Grant Thornton

Independent auditor's report to the members of LBP The Replacement Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Steven Leith (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
London
Date: 18 October 2017

Statement of comprehensive income

For the period ended 31 March 2017

	Note	Period ended 31 March 2017 £
Turnover	4	2,754,540
Cost of sales		(3,432,406)
Gross (loss)/profit		(677,866)
Tax on (loss)/profit		677,866
Profit for the period		-

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 other than those included in the statement of comprehensive income.

The notes on pages 8 to 14 form part of these financial statements.

Statement of financial position
As at 31 March 2017

	Note		31 March 2017 £
Current assets			
Debtors: amounts falling due within one year	7	727,866	
Cash at bank and in hand	8	16,480	
		744,346	
Creditors: amounts falling due within one year	9	(744,345)	
Net current assets			1
Total assets less current liabilities			1
Net assets			1
Capital and reserves			
Called up share capital	11		1
Profit and loss account	12		-
Shareholders' deficit			1

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G Wilson
Director

Date: 18/10/17

The notes on pages 8 to 14 form part of these financial statements.

Statement of changes in equity

For the period ended 31 March 2017

	Called up share capital	Total equity
	£	£
Total comprehensive income for the period	-	-
Shares issued during the period	1	1
Total transactions with owners	1	1
At 31 March 2017	1	1

The notes on pages 8 to 14 form part of these financial statements.

Notes to the financial statements

For the period ended 31 March 2017

1. General information

The company is a private limited company, incorporated in England.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will have sufficient working capital facilities to enable it to continue in business for the next 12 months from approving the financial statements. In reaching this conclusion the directors have considered the support of the parent company.

2.3 Turnover

Turnover represents amounts receivable (excluding VAT) in respect of television programme production.

Amounts receivable for work carried out in producing television programmes are recognised on the basis of the value of costs incurred related to the production activity.

Notes to the financial statements
For the period ended 31 March 2017

2. Accounting policies (continued)

2.4 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction, except where they are to be settled at a contracted rate or where a trading transaction is covered by a related or matching forward contract. In these circumstances the contracted rate is used.

Exchange gains and losses are recognised in the Statement of comprehensive income. Where they give rise to underspends these are recognised on completion of the production.

Notes to the financial statements
For the period ended 31 March 2017

2. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.7 Productions incomplete at the period end

Where productions are in progress at the period end, and where the sales invoiced exceed the value of the work carried out the excess is shown as deferred income, where costs incurred exceed sales invoiced the associated turnover is classified as accrued income.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the financial statements

For the period ended 31 March 2017

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no material judgments or estimates in preparation of these financial statements.

4. Turnover

The company's turnover relates entirely to its principal activities.

	Period ended 31 March 2017 £
Production income	2,754,540
	2,754,540

All turnover arose within the United Kingdom.

5. Auditor's remuneration

The auditor's remuneration was borne by a fellow group entity.

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

The key management personnel are the directors of the company.

Notes to the financial statements

For the period ended 31 March 2017

7. Debtors

	31 March 2017 £
Trade debtors	50,000
Tax recoverable	677,866

8. Cash and cash equivalents

	31 March 2017 £
Cash at bank and in hand	16,480

9. Creditors: Amounts falling due within one year

	31 March 2017 £
Amounts owed to group undertakings	724,398
Other taxation and social security	9,178
Other creditors	1,000
Accruals and deferred income	9,769
	744,345

10. Financial instruments

	31 March 2017 £
Financial assets	
Financial assets measured at fair value through profit or loss	50,000
	50,000
Financial liabilities	
Financial liabilities measured at amortised cost	744,345
	744,345

Notes to the financial statements

For the period ended 31 March 2017

11. Share capital

	31 March 2017 £
Shares classified as equity	
Authorised	
1,000 Ordinary shares of £1 each	**1,000**
Allotted, called up and fully paid	
1 Ordinary share of £1	**1**

The company issued 1 ordinary share of £1 on 6 April 2016.

12. Reserves

Share capital

Represents the nominal value of shares that have been issued.

Profit & loss account

Includes all current and prior period retained profit and losses.

13. Capital commitments

The company had no capital commitments as at 31 March 2017.

14. Contingent liabilities

There were no contingent liabilities as at 31 March 2017.

15. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 "Related party disclosures" and has not disclosed transactions with group undertakings.

There are no other related party transactions.

16. Ultimate parent undertaking and controlling party

The ultimate holding company and controlling party is Sony Corporation, a company incorporated in Japan. Sony Corporation is the largest group for which group accounts are drawn up. Copies of the group accounts can be obtained from Baker & Mckenzie, 100 New Bridge Street, London, EC4V 6JA.

Notes to the financial statements
For the period ended 31 March 2017

17. Financial risk management

The company has exposures to two main areas of risk - foreign exchange currency exposure and liquidity risk.

Foreign exchange transactional currency exposure
The company is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Sterling currencies.

Liquidity risk
The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows.