

# Chappell Morris Limited

## Report and Financial Statements

30 September 2014

TUESDAY



\*L4AMPUVT\*

L10

30/06/2015

#12

COMPANIES HOUSE

# Chappell Morris Limited

---

Registered No. 409829

## **Directors**

M A Lavin

J R Manners

J Smith (13/05/2014)

## **Secretary**

Olswang Cosec Limited

## **Auditors**

Ernst & Young LLP

1 More London Place

London SE1 2AF

## **Registered Office**

Seventh Floor

90 High Holborn

London WC1V 6XX

## Strategic report

The directors present their strategic report for the year ended 30 September 2014.

### Results and dividends

The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account or statement of recognised gains or losses have therefore been prepared.

### Review of the business

The company did not trade on its own account during the year, nor is it intended to do so in the foreseeable future.

### Risk and uncertainties

The company is not subject to any specific risks and uncertainties other than those prevalent in the music publishing market in general. All risks and uncertainties are regularly monitored by the company's board of directors.

On behalf of the Board



Director:  
M A Lavin

Date: 26 June 2015

## Directors' report

The directors present their report and financial statements for the year ended 30 September 2014.

### Going concern

Given the fact that the company does not trade and has positive net assets the directors believe that the company has adequate financial resources to continue in operation for the foreseeable future. The accounts have therefore been prepared on the going concern basis.

### Directors and their interests

The directors of the company during the year ended 30 September 2014 were as listed on page 1.

At no time during the year did any director have any interest in the shares or debentures of the company or any other group undertaking.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the Group and company. Ernst & Young LLP have confirmed their willingness to continue in office.

On behalf of the Board

On behalf of the Board



Director:  
M A Lavin

Date: 26 June 2015

## Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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.

# **Independent auditors' report**

**to the members of Chappell Morris Limited**

We have audited the financial statements of Chappell Morris Limited for the year ended 30 September 2014 which comprise the Balance Sheet, and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

## **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its result 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.

## **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


## Independent auditors' report (continued)

to the members of Chappell Morris Limited

### 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.



Philip Young (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP (Statutory Auditor)

1 More London Place  
London  
SE1 2AF

Date: 30/6/13

## Balance sheet

at 30 September 2014

|                             | Notes | 2014<br>£000 | 2013<br>£000 |
|-----------------------------|-------|--------------|--------------|
| <b>Current assets</b>       |       |              |              |
| Debtors                     | 5     | 1            | 1            |
| <b>Net current assets</b>   |       | <u>1</u>     | <u>1</u>     |
| <b>Capital and reserves</b> |       |              |              |
| Called up share capital     | 6     | 1            | 1            |
| Profit and loss account     |       | -            | -            |
| <b>Shareholders' funds</b>  | 7     | <u>1</u>     | <u>1</u>     |

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



Director:  
M A Lavin

Date: 26 June 2015

The notes on pages 8 to 9 form part of these financial statements.



## Notes to the financial statements

at 30 September 2014

### 1. Accounting policies

#### *Basis of preparation*

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

#### *Accounting convention*

Under an Exploitation Agreement dated 1 December 1992 Warner/Chappell Music International Limited, a fellow group undertaking, accepted the benefit and burden of the company's rights and obligations under its current and future contracts with third parties. Under the Exploitation Agreement the company's directors have the right to set an annual fee chargeable to Warner/Chappell Music International Limited. In the current year this fee was set at £nil (2013 – £nil).

#### *Going concern*

Given the fact that the company does not trade and has positive net assets the directors believe that the company has adequate financial resources to continue in operation for the foreseeable future. The accounts have therefore been prepared on the going concern basis.

#### *Group financial statements*

The company has taken advantage of the exemption in Section 400 of Companies Act 2006 not to prepare group financial statements because as at the year end, and for the entire financial year, the company was a wholly owned subsidiary undertaking of an EC parent undertaking which prepares group financial statements.

#### *Investments*

Investments are stated at cost.

#### *Statement of cash flows*

The company has taken advantage of the exemption in the Financial Reporting Standard No. 1 Revised (FRS1). A statement of cash flow has not been prepared because as at the year end, the company was a wholly owned subsidiary undertaking of Warner Music Group Corp., a company incorporated in the United States of America, which prepares a group statement of cash flows.

### 2. Operating result

The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

Under the terms of the agreement entered into with Warner/Chappell Music International Limited dated 1 December 1992, Warner/Chappell Music International Limited is responsible for the payment of all costs and expenses of the company.

Audit fees of £200 have been borne by another group undertaking.

### 3. Staff costs

The company had no employees other than directors. The directors remuneration was £nil (2013 – £nil).

The directors of the company are also directors of a number of subsidiaries of the ultimate parent undertaking. The directors do not believe that it is practicable to apportion the remuneration between remuneration as directors of the company and their remuneration as directors of the fellow subsidiary companies. The directors' remuneration is therefore disclosed in the accounts of the subsidiaries that make the remuneration payments.

## Notes to the financial statements

at 30 September 2014

### 4. Investment

The company has a 50% interest in the share capital of Patricia Music Limited, which is registered in England and Wales. Patricia is a trading company and has a net book value of £nil (2013 –£nil).

### 5. Debtors

|   | 2014<br>£000 | 2013<br>£000 |
|---|--------------|--------------|
| Due from fellow subsidiary undertakings | 1            | 1            |

### 6. Issued share capital

|   | 2014<br>£ | 2013<br>£ |
|---|-----------|-----------|
| <i>Authorised, allotted, called up and fully paid</i> |           |           |
| 1,000 ordinary shares of £1 each                      | 1,000     | 1,000     |
| 1,000 ordinary shares of 10p each                     | 100       | 100       |
|   | 1,100     | 1,100     |

Each holder of the £1 ordinary shares and the 10p ordinary shares has one vote per share held. The profits of the company available for dividend and resolved by the company to be distributed in respect of any financial year shall be applied as to one-fortieth in the payment of dividends to the holders of ordinary shares of £1 each and thirty nine-fortieths to the payment of dividends to the holders of ordinary shares of 10p each. In a winding up the surplus assets of the company shall be applied in paying one-fortieth to the holders of the ordinary shares of £1 each and the remaining thirty nine-fortieths to the holders of the ordinary shares of 10p each.

### 7. Reconciliation of shareholders' funds and movements on reserves

|                      | 2014<br>£000 | 2013<br>£000 |
|----------------------|--------------|--------------|
| At 1 October 2013    | 1            | 3            |
| Dividends            | -            | (2)          |
| At 30 September 2014 | 1            | 1            |

### 8. Related party

The company has taken advantage of the exemption in FRS 8 not to disclose related party transactions with fellow wholly-owned subsidiary undertakings.

### 9. Ultimate parent undertaking and controlling party

Warner/Chappell Music International Limited is the company's immediate parent undertaking.

At 30 September 2014, Ai Entertainment Holdings LLC was the ultimate parent undertaking. Warner Music Group Corp. was the parent undertaking of the smallest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Warner Music Group Corp.'s financial statements can be obtained from 1209 Orange Street, Wilmington, DE 19801, USA.