

COMPANY REGISTRATION NUMBER 606756



Ardmore & Beechwood Limited

Directors' Report and Financial Statements

For the Year Ended 31 March 2013

Ardmore & Beechwood Limited

Directors' Report and Financial Statements

Year ended 31 March 2013

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Ardmore & Beechwood Limited

Officers and Professional Advisers

The board of directors	F Crimmins (Appointed 29 June 2012) G Moot (Resigned 29 June 2012) D Johnson (Appointed 29 June 2012) C Palmer (Resigned 29 June 2012)
Company secretary	A G Bebawi (Resigned 1 March 2013) & TMF Corporate Administration Services Limited
Registered office	30 Golden Square London United Kingdom W1F 9LD
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 10 Bricket Road St Albans Hertfordshire AL1 3JX
Solicitors	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF

Ardmore & Beechwood Limited

The Directors' Report

Year ended 31 March 2013

The directors present their report and the audited financial statements of the company for the year ended 31 March 2013. The comparatives are for the year ended 31 March 2012.

Principal activities and business review

The principal activity of the Company continued to be that of music publishing. No material change in the activities of the business is contemplated.

Having restated the financial statements, comparatives with the prior year show the Company experienced a 19% rise in turnover. The Company made a profit on ordinary activities before taxation of £181,188 (2012: £217,496).

The turnover of the Company is generated from usage of the songs written by the Company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. Direct costs attributed to the turnover are the writer's shares of the royalties earned on their compositions.

The Company employs no staff and has no separate facilities or overheads, except for those recharged for services rendered by other companies in the EMI Music Publishing group.

Key performance indicators are designed to indicate how the company had performed on key ratios, and the company uses NPS margin and operating margin as the key performance indicators which are most appropriate. There are no KPIs specifically relating to environmental and employee issues as the company has no employees or separate facilities. It is not possible to obtain meaningful market share information for a company of this size, so we do not consider a KPI appropriate.

Going Concern

The directors have prepared consolidated Group financial projections for a period of more than twelve months from the date of approval of these financial statements. After considering these financial projections, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the company concern the value of the worldwide market for recorded music which, despite a 0.3% increase this year, has in recent years declined by about 9% year on year according to data from the IFPI. Whilst we believe that new digital products and services will drive a return to overall industry growth, there are no assurances of the timing or extent of any improvement. This may have a negative impact, as the company generates a significant portion of its revenues from mechanical royalties, primarily from the sale of music in CD and other formats. We are dependant on identifying, signing and retaining talented songwriters whose new releases are well received and whose music will continue to generate revenues for years to come. Competition for such talent is intense and our financial results would be adversely affected if we fail to identify, sign and retain songwriters. External bodies such as local third-party collection societies, have a significant influence on some of our revenues. Mechanical and Performance rates as well as distribution rules are usually set by performing rights societies through board approval and as such may result in the setting of rates at levels lower than we would wish and may therefore adversely affect our ability to increase profitability.

Ardmore & Beechwood Limited

The Directors' Report (continued)

Year ended 31 March 2013

Results and dividends

The profit for the financial year amounted to £181,188 (2012 £217,496) The directors have not recommended a dividend (2012 £nil)

Directors

The directors who served the Company during the year and up to the date of signing the financial statements are listed on page 2

Qualifying third party indemnity provisions

Certain directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of approval of the financial statements

Donations

Grants and charitable donations made during the year amounted to £nil (2012 £nil) There were no political contributions made during the year (2012. £nil)

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent auditors

Following the Music Publishing business sale on 29 June 2012 it was deemed that KPMG LLP would not continue in office and PricewaterhouseCoopers LLP were appointed as auditors

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

The financial statements on pages 8 to 16 were approved by the board of directors on 27/04/2014 and signed on its behalf by



F Crimmins
Director

30 Golden Square
London
United Kingdom
W1F 9LD

Ardmore & Beechwood Limited

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

Year ended 31 March 2013

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 they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice).

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,
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 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 Auditors' Report to the Members of Ardmore & Beechwood Limited

We have audited the financial statements of Ardmore & Beechwood Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 and express an opinion on 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 31 March 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent Auditors' Report to the Members of Ardmore & Beechwood Limited *continued*

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 in preparing the Directors' Report



Matthew Mullins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
10 Bricket Road
St Albans

7 March 2014

Ardmore & Beechwood Limited**Profit and Loss Account****Year ended 31 March 2013**

	<i>Note</i>	2013 £	Restated¹ 2012 £
Turnover	3	337,434	284,627
Cost of sales		<u>(119,488)</u>	<u>(15,397)</u>
Gross profit		217,946	269,230
Distribution costs		-	(18,770)
Administrative expenses		<u>(24,741)</u>	<u>(32,964)</u>
Operating profit	4	193,205	217,496
Other expenses and charges		<u>(12,017)</u>	-
Operating profit, being profit on ordinary activities before taxation	4	181,188	217,496
Tax on profit on ordinary activities	7	-	-
Profit on ordinary activities after taxation, being profit for the financial year		<u>181,188</u>	<u>217,496</u>

The notes on pages 11 to 17 form part of these financial statements

All of the activities of the Company are classed as continuing as in prior year

There are no material differences between the profit on ordinary activities before taxation and the profit / (loss) for the financial year stated above and their historical cost equivalent

¹ See note 2 Restatement of prior year profits

Ardmore & Beechwood Limited**Balance Sheet****At 31 March 2013**

	<i>Note</i>	2013 £	Restated² 2012 £
Fixed assets			
Investments	8	100	11,000
Current assets			
Debtors	9	1,077,169	981,118
Creditors: amounts falling due within one year	10	(215,058)	(311,095)
Net current assets		862,111	670,023
Net assets		862,211	681,023
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	861,211	680,023
Total shareholders' funds	12	862,211	681,023

The notes on pages 10 to 16 form part of these financial statements

These financial statements were approved by the directors and authorised for issue on 27/02/2014, and are signed on their behalf by



F Crimmins
Director

Company Registration Number 606756

² See note 2 Restatement of prior year profits

Ardmore & Beechwood Limited**Statement of Total Recognised Gains and Losses****Year ended 31 March 2013**

	2013	Restated ³
	£	2012
		£
Profit for the year and total recognised gains and losses relating to the year	181,188	217,496
Prior year adjustment ⁴	180,051	
Total gains and losses recognised since last annual report	361,239	

The notes on pages 11 to 17 form part of these financial statements

³ See note 2 Restatement of prior year profits⁴ As above

Ardmore & Beechwood Limited

Notes to the Financial Statements

Year ended 31 March 2013

1. Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The accounting policies have been applied consistently, other than where new policies have been adopted

Going Concern

Ardmore & Beechwood Limited has made a profit for the financial year of £181,188 (2012 £217,496) and has net current assets of £862,111 (2012 £670,023) and net assets of £862,211 (2012 £681,023) at the reporting date

The Company operates as part of DH Publishing L P group ("the Group") and has provided a guarantee to the Group's lender, as such the Company is affected by the terms of the Group's banking facilities. The continued availability of existing bank facilities requires the Group to comply with the covenants set out in those bank facilities

The strong group balance sheet combined with continued strong operating performance means that the Group is able to meet its ongoing working capital needs and its current debt service obligations under the finance facility agreements for a period of more than twelve months from the date of approval of these financial statements

The directors have prepared consolidated Group financial projections for a period of more than twelve months from the date of approval of these financial statements

After considering the financial projections, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis

Cash flow statement and related party disclosures

At the balance sheet date the company was a wholly owned subsidiary of DH Publishing L P and is included in the consolidated financial statements of DH Publishing which may be requested from 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands. Consequently the company has taken exemption from preparing the cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the DH Publishing L P group or investees of the DH Publishing L P group

Turnover

The Company's turnover is wholly attributable to its principal activity and the directors do not believe that any part of the Company's worldwide market is significantly different from any other

Turnover consists of income from copyrights and is recorded when reported to the Company by the relevant source. Turnover is stated after deducting all commissions and any sales related taxes levied on turnover

All turnover arises from continuing activities. In certain countries, the Company has assigned its rights to royalty income to other undertakings of the EMI Group

Ardmore & Beechwood Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2013

1. Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Debtors - royalty advances

Royalties due to an advancee are credited against the outstanding advance in the year of receipt until the amount of the advance is extinguished. If it is thought that future earnings will not amount to the written-down value of an advance, a provision for the estimated shortfall will be raised. Advances are included in debtors as recoverable within one year although certain amounts may be recovered after more than one year.

Provisions

A provision is recognised where the expected future earnings of a writer do not support the net value of the advance. Previously the provision was based on the historic recoupment level and an additional subjective review for both new artists and those with historic recoupment. During the period the basis for calculating the provision has been revised and an additional provision has been made against any advances to writers who are deemed to be unproven at the time of the advance. The directors consider this to be a better estimate of recoverability. The additional expense charged to the Profit and Loss account in the year as a result of this change in estimate totals £57.

Restatement of prior year profits

Following publication of the Directors' Report and Financial Statements for the year ended 31 March 2012, the directors identified a number of prior year errors that led to incorrect balances being recorded in the profit and loss account and balance sheet for the year ended 31 March 2012.

The balances for the year ended 31 March 2012 have been restated, and the impact on the financial statements is shown in note 2 below.

Ardmore & Beechwood Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2013****2. Restatement of prior year profits**

The profit and loss, balance sheet and opening reserves for the year ended 31 March 2012 have been restated due to prior year errors that led to incorrect balances being recorded in the profit and loss account and balance sheet. The errors have been corrected and the impact of the change on the financial statements was an increase in opening reserves at 1 April 2012 of £180,051

	As previously reported 2012 £	Adjustments 2012 £	Restated 2012 £
Fixed assets			
Investments	11,000	-	11,000
Current assets			
Debtors	801,067	180,051	981,118
Creditors: amounts falling due within one year			
Trade creditors	(311,095)	-	(311,095)
Net current assets	<u>489,972</u>	<u>180,051</u>	<u>670,023</u>
Net assets	<u>500,972</u>	<u>180,051</u>	<u>681,023</u>
Capital and reserves			
Called-up share capital	1,000	-	1,000
Profit and loss account*	<u>499,972</u>	<u>180,051</u>	<u>680,023</u>
Total shareholders' funds	<u>500,972</u>	<u>180,051</u>	<u>681,023</u>

*The restatement of the profit and loss account comprises the following profit and loss adjustments

	As previously reported 2012 £	Adjustments 2012 £	Restated 2012 £
Turnover	284,627	-	284,627
Cost of sales	<u>(195,448)</u>	<u>180,051</u>	<u>(15,397)</u>
Gross profit	89,179	180,051	269,230
Distribution costs	<u>(18,770)</u>	-	<u>(18,770)</u>
Administrative expenses	<u>(32,964)</u>	-	<u>(32,964)</u>
Operating profit	37,445	180,051	217,496
Other expenses and charges	-	-	-
Profit on ordinary activities before taxation	37,445	180,051	217,496
Tax on profit on ordinary activities	-	-	-
Profit on ordinary activities after taxation, being profit for the financial year	<u>37,445</u>	<u>180,051</u>	<u>217,496</u>

Ardmore & Beechwood Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2013****3 Turnover**

The turnover is attributable to the one principal activity of the Company

An analysis of turnover by geographical market is given below

	2013 £	Restated 2012 £
United Kingdom	144,367	152,222
Rest of Europe	82,018	71,789
USA	16,842	15,190
Rest of the world	94,207	45,426
	<u>337,434</u>	<u>284,627</u>

4. Operating profit, being profit on ordinary activities before taxation

	2013 £	Restated 2012 £
Operating profit, being profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration - audit of these financial statements	<u>1,000</u>	<u>1,000</u>

The audit fee incurred by the Company represents an apportion of the overall group audit fee which has been allocated based on net profit share

Management charges of £23,741 due to EMI Music Publishing Limited are included in administrative expenses in the profit and loss account. In the prior year, management charges of £50,735 were split between distribution costs and administrative expenses in the profit and loss account

Amounts receivable by the Company's auditors and their associates have been borne by EMI Music Publishing Limited

5 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the Company (2012 £nil)

The directors were employed and remunerated as directors or executives of EMI Music Publishing Limited, the parent undertaking, for their services to the Group as a whole up to 29 June 2012, the date of change of ownership (see note 13)

Post 29 June 2012, the newly appointed directors were remunerated by a member of the US Group for their services to the Group as a whole

6. Staff costs

The Company had no employees (2012 none)

Ardmore & Beechwood Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2013****7 Tax on (loss)/profit on ordinary activities****Analysis of charge in the year**

	2013 £	Restated 2012 £
Current tax		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	43,485	56,549
Group relief received	(43,485)	(56,549)
Total current tax	<u>-</u>	<u>-</u>

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2012 lower) than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

	2013 £	Restated 2012 £
Profit on ordinary activities before taxation	181,188	217,496
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24% (2012 - 26%)	43,485	56,549
Group relief received	(43,485)	(56,549)
Total current tax	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

As part of the EMI Group, the company may receive or surrender losses by way of group relief. This receipt or surrender may be made with or without charge. Following divestment from EMI Group, no group relief will be available for the post-divestment period.

On 3 July 2012, the legislation of the reduction of UK corporation tax rate to 23 per cent from 1 April 2013 was substantially enacted.

On 20 March 2013, a resolution was passed by Parliament to reduce the main UK corporation tax rate to 20 per cent from 1 April 2015.

On 17 July 2013, the legislation of the reduction of UK corporation tax rate to 21 per cent from 1 April 2014 was substantially enacted. None of the above changes are reflected in the above calculation.

Ardmore & Beechwood Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2013****8. Fixed asset investments**

	Shares at cost £
Cost at 31 March 2012	11,000
Disposals	(10,900)
	<u>100</u>
At 31 March 2013	<u>100</u>
Net book value	
At 31 March 2013	100
	<u>11,000</u>
At 31 March 2012	<u>11,000</u>

The details of the unquoted investments in associated undertakings are as follows

	Share capital and voting rights held
EMI Music Publishing Greece LLC	0 33%
EMI Virgin Music Publishing Greece LLC	0 33%

The directors believe that the carrying value of the investments is supported by their underlying net assets

9 Debtors

	2013 £	Restated 2012 £
Amounts owed by group undertakings	981,658	801,067
Prepayments and accrued income	95,511	180,051
	<u>1,077,169</u>	<u>981,118</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand
Prepayments and accrued income amounts relate to advances paid to artists less the provisions made against those balances, and an estimate of accrued income at the balance sheet date

10. Creditors: amounts falling due within one year

	2013 £	Restated 2012 £
Trade creditors	202,940	311,095
Amounts owed to group undertakings	12,118	-
	<u>215,058</u>	<u>311,095</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Ardmore & Beechwood Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2013****11 Called up share capital****Allotted and fully paid:**

	2013		Restated 2012	
	Number	£	Number	£
1,000 (2012 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

12 Reconciliation of shareholders' funds and movement on reserves

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 31 March 2012 as previously reported	1,000	499,972	500,972
Prior year adjustment	-	180,051	180,051
At 31 March 2012 as restated	<u>1,000</u>	<u>680,023</u>	<u>681,023</u>
Profit for the financial year	-	181,188	181,188
At 31 March 2013	<u>1,000</u>	<u>861,211</u>	<u>862,211</u>

13. Change of ownership

On 11 November 2011, Citigroup signed definitive agreements to sell the Group's Recorded Music business to Universal Music Group and Music Publishing business to an investor Group that comprised primarily of Sony Corporation of America, the Estate of Michael Jackson, Mubadala Development Company PJSC, Jynwel Capital Limited, and the Blackstone Group's GSO Capital Partners LP (the 'Investor Group'). The agreements did not take effect until clearance was received from various Competition authorities and other conditions were met. The Music Publishing business sale completed on 29 June 2012.

14. Ultimate parent company

The ultimate parent undertaking and controlling party of the Group is DH Publishing L P, a partnership registered in the Cayman Islands.

The Company's immediate parent undertaking is EMI Music Publishing Finance (UK) Limited, a company registered in England and Wales.

The parent undertaking of the largest and smallest group to consolidate these financial statements is DH Publishing L P.

The address from which the financial statements can be requested is DH Publishing L P, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands.