

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED  
DIRECTORS AND PROFESSIONAL ADVISORS**

**DIRECTORS**

L Blake  
K Hoskins  
J Minch  
V Pascucci  
J Susskind  
J Valentine  
J Wisely

**COMPANY SECRETARY**

K Hoskins

**REGISTERED OFFICE**

Aldwych House  
71-91 Aldwych  
London  
WC2B 4HN

**BANKER**

Barclays Bank Plc  
Soho Square  
London  
W1D 3QR

**AUDITOR**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

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**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
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## **BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED STRATEGIC REPORT**

The directors present the Strategic Report, the Directors' Report and the audited financial statements for the year ended 31 December 2019.

### **PRINCIPAL ACTIVITY**

The principal activity remained unchanged throughout the year and continues to be classical music publishing. The directors do not anticipate that this activity will change in the foreseeable future.

### **REVIEW OF BUSINESS**

During the year, the company traded satisfactorily. The board uses the production of an annual budget as the main performance indicator to judge business progress through the year. This budget is reinforced by a half year reforecast, undertaken on a 6 months actual, plus 6 months reforecast basis. In addition, the board constantly reviews the net publishers share generated on the various revenue formats.

As part of the ongoing review of business risk and performance, the UK group parent company board met monthly. The principal risks and uncertainties facing the business are as follows:

- the company's revenues are substantially made up of royalty revenues on classical composers signed to the company. Although the company has taken many steps to broaden the musical base under-pinning revenues, the company is dependent on classical music continuing to be highly valued;
- the company receives its revenues in Sterling, Euros and US Dollars and is therefore subject to potentially adverse exchange movements; and
- the company is potentially at risk from further downturn in the economies in which it operates.

At the year end, the board considers the company to be well placed to continue to exploit its valuable range of catalogues, although the board remains vigilant to further opportunities for increased business efficiency, either through catalogue acquisition, or cost saving.

The directors believe the company has adequate financial resources to continue in operation for the foreseeable future and is in full compliance with all its debt obligations. The accounts have therefore been prepared on a going concern basis.

The key performance indicator used to measure the performance of the company is Net Publisher's Share, or NPS, and resultant margin, which is the difference between royalty income received and royalty expense paid and equates to the company's gross profit. Monthly actual performance is monitored against a budget drawn up in conjunction with the previous year's results and remedial action taken as and when necessary.

The financial results of the company for the year, set out in the profit and loss account on page 7, the profit transferred to reserves is £5,283,000 (2018: £1,726,000). Gross profit amounted to £11,256,000 in the year (2018: £9,170,000)

No charitable or political donations were made in the year (2018: £nil).

### **PENSION SCHEME**

During December 2020, the company agreed the on-going scheme valuation as at 1 January 2020, as calculated by the scheme actuaries, with the scheme trustees. This valuation gave rise to a surplus of £2,500,000. During August 2020, the trustees entered into a buy-in contract with AVIVA at a cost of £55m. The contract with AVIVA will be treated as a special investment type and has transferred many of inherent scheme risks, mortality risk, inflation risk, interest rate risk, among others, to AVIVA.

## **BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**

### **STRATEGIC REPORT continued**

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company operates predominantly as a classical music publisher. Revenues are substantially made up of royalty revenues on classical composers signed to the company. The company is very dependent on classical music continuing to be highly valued.

Additionally, the company's operating revenues are received in Sterling, Euros and US Dollars and consequently is potentially subject to adverse currency movements. Finally, the company is potentially at risk from further downturn in the economies in which it operates. The board monitors all risks to which the company and its subsidiaries may be subject, with a view to minimising any adverse effects, as well as identifying any business opportunities that may present themselves.

On 31 December 2020, the UK finally left the European Union, having agreed its future relationship with the EU as contained in the European Union (Future Relationship) Act 2020. This will have some operational effect on the company and its operations, as the company sends out orchestral hire material from Mainz Germany and there have been cost increases from courier companies used, as they process the extra customs procedures.

#### **COVID-19 AND GOING CONCERN IMPLICATIONS**

The global outbreak of COVID-19, a highly contagious and virulent coronavirus strain, through first quarter 2020 has led to government restrictions on live performance. Music businesses, especially those that rely on live performance revenues, have been adversely impacted by these restrictions. To mitigate, management enacted business continuity plans and employees worked from home from Friday 13 March 2020. Furthermore, management continues to monitor the local and global situation closely.

Notwithstanding, at 31 December 2019, the company has recognised a profit before tax of £5,094,000 (2018: £3,372,000), and has sufficient cash reserves of £1,127,000 (2018: £121,000) to meet its on-going obligations, with a net assets of £17,542,000 (2018: £12,759,000), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The uncertainty regarding the future business impact of the coronavirus pandemic has been assessed by the Board. The directors have prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements, assuming restrictions to live performance continue through until the third quarter 2021, whereafter they are lifted after a successful roll-out of the vaccination programme.

Those forecasts are dependent on the Concord Group continuing to support the ongoing operations of the group and company. Alchemy Copyrights, LLC, the ultimate US group parent, with Boosey & Hawkes Holdings Ltd, the UK group parent, has indicated its intention to continue to make available such funds as are needed by the group, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**ON BEHALF OF THE BOARD**



**K Hoskins**  
Director

5 March 2021

## **BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED DIRECTORS' REPORT**

### **DIVIDENDS**

An interim dividend of £500,000 (£0.50 per share) was declared and paid on 16 August 2019 (2018: £7,500,000 - £7.50 per share). The directors do not propose to declare a further dividend for the year (2018: £nil).

### **INVESTMENTS AND SHARE CAPITAL**

Subsequent to the year end on 30 June 2020, the company acquired from Boosey & Hawkes Group Services Ltd, its immediate parent company, a 100% direct investment in Boosey & Hawkes Deutschland GmbH in a share for share exchange on the issue of 500,000 ordinary shares of £1 each.

### **DIRECTORS OF THE COMPANY**

The directors, who served during the year, except as noted, were as follows:

L Blake  
K Hoskins  
J Minch  
V Pascucci  
J Susskind  
R Valentine  
J Wisely

### **DISCLOSURE OF INFORMATION TO 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 auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **AUDITOR**

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

### **ON BEHALF OF THE BOARD**



**K Hoskins**  
Director

Aldwych House  
71-91 Aldwych  
London  
WC2B 4HN

5 March 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **Independent Auditor's Report to the Members of Boosey & Hawkes Music Publishers Limited**

## **Opinion**

We have audited the financial statements of Boosey & Hawkes Music Publishers Limited ("the company") for the year ended 31 December 2019, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## **Strategic report and directors' report**

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

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

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



## **Independent Auditor's Report to the Members of Boosey & Hawkes Music Publishers Limited continued**

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Johnson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

5 March 2021

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**PROFIT & LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**Year ended 31 December 2019**

	Notes	2019 £000	2018 £000
Turnover	2	19,478	15,595
Cost of sales		(8,222)	(6,425)
<b>Gross profit</b>		<b>11,256</b>	<b>9,170</b>
Administrative expenses		(6,443)	(6,556)
Other operating income		289	292
<b>Operating profit</b>		<b>5,102</b>	<b>2,906</b>
Interest receivable and similar income	6	279	468
Interest payable and similar charges	7	(287)	(2)
<b>Profit before taxation</b>	3	<b>5,094</b>	<b>3,372</b>
Tax on profit	8	(815)	(756)
<b>Profit for the financial year</b>		<b>4,279</b>	<b>2,616</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Actuarial gain/(loss) on pension schemes		1,243	(1,072)
Deferred tax (charge)/credit		(239)	182
<b>Other Comprehensive Income</b>		<b>1,004</b>	<b>(890)</b>
<b>Total Comprehensive Income</b>		<b>5,283</b>	<b>1,726</b>

All results derive from continuing activities.

The notes on pages 10 to 21 form part of the financial statements

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**BALANCE SHEET**  
**At 31 December 2019**

	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	9	3,409	3,690
Investments	10	5	5
		<hr/>	<hr/>
		3,414	3,695
<b>Current assets</b>			
Debtors: (including £9,942,000 (2018: £7,276,000) due after more than one year)	11	25,984	16,513
Cash at bank and in hand		1,127	121
		<hr/>	<hr/>
		27,111	16,634
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	12	(10,864)	(5,877)
		<hr/>	<hr/>
<b>Net current assets</b>		16,247	10,757
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		19,661	14,452
<b>Provisions for liabilities</b>			
Deferred tax liability	13	(2,119)	(1,693)
		<hr/>	<hr/>
<b>Total Net Assets</b>		17,542	12,759
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	14	1,000	1,000
Profit and loss account		16,542	11,759
		<hr/>	<hr/>
<b>Shareholder's Funds</b>		17,542	12,759
		<hr/>	<hr/>

The notes on pages 10 to 21 form part of the financial statements.

The financial statements were approved and authorised for issue by the board of directors on 5 March 2021.

Signed on behalf of the board of directors



**K Hoskins**  
 Director

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**Year ended 31 December 2019**

	Called up share capital	Profit & loss account	Total shareholder's funds
	£000s	£000s	£000s
At 1 January 2018	1,000	17,533	18,533
Profit for the year	-	2,616	2,616
Actuarial loss on pension scheme	-	(1,072)	(1,072)
Deferred tax credit on actuarial loss	-	182	182
Interim dividend paid	-	(7,500)	(7,500)
At 31 December 2018	1,000	11,759	12,759
	Called up share capital	Profit & loss account	Total shareholder's funds
	£000s	£000s	£000s
At 1 January 2019	1,000	11,759	12,759
Profit for the year	-	4,279	4,279
Actuarial gain on pension scheme	-	1,243	1,243
Deferred tax charge on actuarial gain	-	(239)	(239)
Interim dividend paid	-	(500)	(500)
At 31 December 2019	1,000	16,542	17,542

The notes on pages 10 to 21 form part of the financial statements

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2019**

**1. ACCOUNTING POLICIES**

Boosey & Hawkes Music Publishers Ltd is a private company incorporated, domiciled and registered in England, United Kingdom. The registered address is Aldwych house, 71-91 Aldwych, London WC2B 4HN.

The principal accounting policies are summarised below. These policies have been applied consistently throughout the current and the preceding year.

**Fundamental accounting concept**

The accounts have been prepared on the going concern basis and in accordance with applicable accounting standards. The company has sufficient credit to meet its debts as and when they fall due.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and accounting standards in the United Kingdom. As the company is a wholly owned subsidiary of a United Kingdom parent company, the company does not prepare consolidated financial statements as permitted by section 400 of the Companies Act 2006. Consequently these financial statements present information about the company rather than the group.

The global outbreak of COVID-19, a highly contagious and virulent coronavirus strain, through first quarter 2020 has led to government restrictions on live performance. Music businesses, especially those that rely on live performance revenues, have been adversely impacted by these restrictions. To mitigate, management enacted business continuity plans and employees worked from home from Friday 13 March 2020. Furthermore, management continues to monitor the local and global situation closely.

Notwithstanding, at 31 December 2019, the company has recognised a profit before tax of £5,094,000 (2018: £3,372,000), and has sufficient cash reserves of £1,127,000 (2018: £121,000) to meet its on-going obligations, with a net assets of £17,542,000 (2018: £12,759,000), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The uncertainty regarding the future business impact of the coronavirus pandemic has been assessed by the Board. The directors have prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements, assuming restrictions to live performance continue through until the third quarter 2021, whereafter they are lifted after a successful roll-out of the vaccination programme.

Those forecasts are dependent on the Concord Group continuing to support the ongoing operations of the group and company. Alchemy Copyrights, LLC, the ultimate US group parent, with Boosey & Hawkes Holdings Ltd, the UK group parent, has indicated its intention to continue to make available such funds as are needed by the group, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Basis of accounting**

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company's ultimate parent undertaking is Alchemy Copyrights LLC, an institution registered in The United States of America.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes and
- Key Management Personnel compensation.
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule

The company has adopted the reduced disclosure framework of FRS 102 in the current financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**1. ACCOUNTING POLICIES continued**

**Accounting estimate and judgements**

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The current accounts do not contain any such accounting estimates and judgements, apart from those listed below.

**(i) Pension assumptions**

Defined benefit pension scheme assets and liabilities are measured on a fair value actuarial basis, as mandated by the FRC, using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial assumptions used in the valuation of the pension defined benefit pension scheme are separately identified in note 15 (e) and (f).

**(ii) Intangible fixed assets**

An annual impairment review of acquired copyright and goodwill is performed by comparing the closing carrying asset value against a third party valuation. Where the third party valuation supports the carrying value no adjustment is made, where the third party valuation is less than the carrying value the asset is impaired.

Management prepare cash flow forecasts using current full year actual results as a base and overlay growth/decay assumptions for a future 10 years by revenue royalty income type, net publishers share margin, overheads, tax, net advance spend, and working capital. The growth/decay assumptions are based on comparable industry data, historical growth trends, copyright expiry and reversions, coupled with specific management expectations.

After reviewing management's forecasts the third party valuer used a discounted cash flow (DCF) methodology to value the estimate present value projected future cash flows. The mid-point discount factor used by valuer for the 31 December 2019 valuation was 9.25%.

**(iii) Investment**

An annual impairment review of investment in subsidiaries is performed by comparing the closing carrying asset value of subsidiaries against third party valuations. Where the third party valuation supports the carrying value no adjustment is made. Where the third party valuation is less than the carrying value the investment is impaired. The basis of the third party valuation is described in the Intangible Fixed Assets section above.

**(iv) Revenue**

During 2019, following a review of global accounting policies, and following the completion of internal restructuring which substantially changed the royalty flows across the publishing group, management concluded that while historical receipts are not always a reliable predictor of future music royalties, the composition of Concord's music catalogue leans to more consistent earnings patterns and that they now have the capacity to reliably estimate and accrue revenues.

Revenues, and the associated royalty cost of sales, are estimated by society, licensee and sub-publisher, by royalty income type, based on average historical receipts and margins, and management expectations. The accrual for each source covers the period from their last revenue report up to the year-end.

The additional accrual for 2019 amounted to revenues of £2,393,000, with a commensurate increase in current assets and cost of sales of £818,000, with a commensurate increase in current liabilities.

**Basic financial instruments - trade and other debtors/creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**Turnover**

Turnover represents sales to customers (net of vat), royalties receivable and hire fee income. Royalty income is recognised in the period to which it relates, or if it cannot be reliably estimated, on a receipts basis. Hire fee income is invoiced and recognised on the date the hire materials for any particular performance are dispatched to the client. Revenues from all sources are recognised on a strict accruals basis, with an estimate of earned, but as yet unreported royalty income, being included in the profit & loss account for the year under review.

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**1. ACCOUNTING POLICIES continued**

**Foreign currency translations**

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

**Investments**

In the company's financial statements, investments in subsidiary undertakings are stated at cost less provisions. Provisions for any impairment in value are charged to the profit and loss account.

**Current taxation**

Current taxation or group relief is accounted for at the prevailing corporation tax rates.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Dividends on shares presented within shareholder's funds**

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

**Copyrights**

The cost of copyrights acquired not as part of a business combination is amortised evenly over the shorter of the expected useful life of the copyrights and 20 years. Provision is made for any impairment.

**Goodwill**

Goodwill is classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**Pension costs**

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Related party transactions**

Under Financial Reporting Standard 102 (paragraph 33.1A) the company is exempt from disclosure of related party transactions and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group. The company is included in the consolidated financial statements of Boosey & Hawkes Holdings Ltd, which controls 100% of the voting rights of the company.

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**2. TURNOVER**

	<u>2019</u>	<u>2018</u>
	£000	£000
The analysis of turnover by geographical market was as follows:		
United Kingdom	13,263	9,567
Rest of Europe	3,181	3,471
United States of America	3,034	2,557
	<u>19,478</u>	<u>15,595</u>

The company engages in only one class of business. The company is a publisher of classical music, deriving turnover from royalties, hire fee income and sales of sheet music.

**3. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:

	<u>2019</u>	<u>2018</u>
	£000	£000
Amortisation (note 9)	386	485

**4. DIRECTORS' EMOLUMENTS**

The directors received no emoluments during the year from the company (2018: £nil). Three of the seven directors (2018: three of seven) are employed by a fellow group undertaking and it is estimated that £589,000 (2018: £485,000) of their total remuneration of £804,000 (2018: £707,000) is in relation to the company.

Two (2018: two) directors were members of the Boosey & Hawkes Pension Scheme, a contributory, defined benefit scheme which, subject to Inland Revenue limits, provided them with a pension of up to two-thirds of earnings together with benefits on death and disability, up to 30 June 2005, when the scheme was closed to new members and future service accrual. One director (2018: one) was a member of the defined contribution section of the scheme.

**5. AUDITOR'S REMUNERATION**

The audit fee for the current year was borne by another group company. It is estimated that the part of the group audit fee of £105,000 (2018: £94,000) allocated to the audit of the company's accounts amounted to £29,680 (2018: £28,700).

**6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>2019</u>	<u>2018</u>
	£000	£000
Interest receivable	265	237
Exchange gain on trading debtors & creditors	-	42
Net interest income on pension scheme (note 15(d))	14	189
	<u>279</u>	<u>468</u>



**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**7. OTHER INTEREST PAYABLE AND SIMILAR EXPENSE**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interest payable	-	2
Exchange loss on cash balances	<b>287</b>	-
	<b>287</b>	<b>2</b>

**8. TAXATION**

(a) Total tax charge recognised in the Profit & Loss Account:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<i>Current tax</i>		
Current tax on income in the year	<b>96</b>	136
Double taxation relief	<b>(96)</b>	(136)
Overseas taxation	<b>96</b>	136
Group relief payable	<b>532</b>	136
<i>Prior year tax</i>		
Group relief payable	-	373
Total current tax	<b>628</b>	645
Deferred tax	<b>187</b>	111
Total tax charged to the Profit & Loss Account	<b>815</b>	756

(b) Reconciliation of effective tax rate

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Profit for the year including tax	<b>4,279</b>	2,616
Total tax charge	<b>815</b>	756
Profit for the year excluding tax	<b>5,094</b>	3,372
Tax using the UK corporation tax rate of 19.00% (2018: 19.00%).	<b>968</b>	640
effects of:		
- expenses not deductible for tax purposes	<b>29</b>	29
- defined benefit pension accounting under FRS 102	<b>(239)</b>	(204)
- capital allowances for period in excess of depreciation	<b>57</b>	(82)
- prior year group relief payable	-	373
Current taxation for the year	<b>815</b>	756

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**8. TAXATION continued**

(c) Factors that may affect future tax charges:

The deferred tax asset has not been recognised in respect of the following timing differences. The asset has been calculated at an effective deferred tax rate of 19% (2018: 17%).

	<u>2019</u> <u>£000s</u>	<u>2018</u> <u>£000s</u>
Fixed asset timing differences	<u>1,096</u>	<u>1,032</u>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was also enacted on 6 September 2016. This final reduction to 17% was nullified in 2020 and so the un-booked asset has been valued at 19%. This will reduce the company's future current tax charge accordingly.

**9. INTANGIBLE FIXED ASSETS**

	<u>Copyrights</u> <u>£000</u>	<u>Goodwill</u> <u>£000</u>	<u>Total</u> <u>£000</u>
<b>Cost</b>			
At 1 January 2019	8,970	332	9,302
Additions	105	-	105
<b>At 31 December 2019</b>	<u>9,075</u>	<u>332</u>	<u>9,407</u>
<b>Accumulated amortisation</b>			
At 1 January 2019	5,328	284	5,612
Provided during the year	381	5	386
<b>At 31 December 2019</b>	<u>5,709</u>	<u>289</u>	<u>5,998</u>
<b>Net book value</b>			
<b>At 31 December 2019</b>	<u>3,366</u>	<u>43</u>	<u>3,409</u>
At 31 December 2018	<u>3,642</u>	<u>48</u>	<u>3,690</u>

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**10. INVESTMENTS**

**Shares in subsidiaries**

	£000
<b>Cost</b>	
<b>At 1 January 2019 and 31 December 2018</b>	<b>5</b>
<b>Net book value</b>	
<b>At 31 December 2019 and 31 December 2018</b>	<b>5</b>

The shares held directly and indirectly by the company on 31 December 2019 were as follows, none of which was required to obtain an audit:

<b>Company</b>	<b>Country of business</b>	<b>Principal activity</b>	<b>Proportion of issued ordinary shares held</b>
<b><i>Held directly</i></b>			
Anglo Soviet Music Press Limited	UK	dormant	100%
Anton J Benjamin Limited	UK	dormant	100%
Big Picture Music Limited	UK	dormant	100%
Boosey & Co. Limited	UK	dormant	100%
Boosey & Hawkes KJM Limited	UK	dormant	100%
Boosey & Hawkes Multimedia Limited	UK	dormant	100%
Boosey & Hawkes Pension Trustee Limited	UK	dormant	100%
Boosey & Hawkes Z Ltd	UK	dormant	100%
Booseytones Limited	UK	dormant	100%
British Standard Music Company Limited	UK	dormant	100%
Concord Creative Services Ltd (formerly Imagem Creative Services Ltd)	UK	dormant	100%
Hawkes & Son (London) Limited	UK	dormant	100%
Hendon Music Limited	UK	dormant	100%
Lafleur Music Limited	UK	dormant	100%
Lime Green Music Limited	UK	dormant	100%
Melon Yellow Music Limited	UK	dormant	100%
Schauer & May Limited	UK	dormant	100%
3rd Audio Limited	UK	dormant	100%
United Nations Music Publishing Limited	UK	dormant	100%
Winthrop Rogers Limited	UK	dormant	100%
Zinfonia Shareholders Limited	UK	holding company	25%
<b><i>All registered at:</i></b>			
<b><i>Aldwych House</i></b>			
<b><i>71-91 Aldwych</i></b>			
<b><i>London WC2B 4HN</i></b>			
<b><i>Held indirectly</i></b>			
Zinfonia Holdings Pty Limited	Australia	software developer	25%

***Registered at:***  
***Level 2, 2087 Greenhill Road***  
***Eastwood***  
***SA 5063***  
***Australia***

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**11. DEBTORS**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>451</b>	293
Amount owed by parent undertaking	-	512
Amount owed by group undertakings	<b>9,728</b>	5,302
VAT recoverable	<b>82</b>	177
Other debtors	<b>256</b>	122
Accrued income	<b>5,525</b>	2,831
Pension plan surplus, due after more than one year	<b>9,942</b>	7,276
	<b>25,984</b>	16,513
	<b>16,042</b>	9,237
Due within one year	<b>9,942</b>	7,276
Due after more than one year	<b>25,984</b>	16,513

**12. CREDITORS**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year</b>		
Trade creditors	<b>655</b>	344
Amount owed by parent undertaking	<b>47</b>	-
Amount owed by fellow group undertakings	<b>3,765</b>	1,075
Accruals	<b>4,896</b>	3,373
Group relief payable	<b>596</b>	136
Foreign withholding taxes payable	<b>59</b>	52
Deferred purchase price payable	<b>846</b>	897
	<b>10,864</b>	5,877

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**13. PROVISIONS FOR LIABILITIES**

**Deferred tax liabilities**

Deferred tax liabilities are attributable to the following:

	<u>2019</u>	<u>2018</u>
	<u>£000</u>	<u>£000</u>
On employee benefits	<b>1,690</b>	1,237
On reinvestment relief	<b>429</b>	456
	<hr/>	<hr/>
Deferred tax liabilities	<b>2,119</b>	1,693
	<hr/>	<hr/>

**14. SHARE CAPITAL**

	<u>number</u>	<u>Authorised</u>	<u>Issued and fully paid</u>	
		<u>£</u>	<u>number</u>	<u>£</u>
<b>At 31 December 2018:</b>				
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
		<hr/>		<hr/>
<b>At 31 December 2019:</b>				
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
		<hr/>		<hr/>

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**15. PENSION ARRANGEMENTS**

The group operates a defined benefit and defined contribution pension scheme in the UK. The defined benefit scheme was closed to membership and future service accruals on 30 June 2005.

The Defined Contribution scheme was closed to active membership during 2016 with members transferred to a GPP scheme. The other remaining 14 deferred members were transferred out on 7 September 2018.

During the year, the company made contributions to the defined contribution scheme amounting to £nil (2018: £nil).

During December 2020, the company agreed the on-going scheme valuation as at 1 January 2020, as calculated by the scheme actuaries, with the scheme trustees. This valuation gave rise to a surplus of £2,500,000. During August 2020, the trustees entered into a buy-in contract with AVIVA at a cost of £55m. The contract with AVIVA will be treated as a special investment type and has transferred many of the inherent scheme risks, mortality risk, inflation risk, interest rate risk, among others, to AVIVA.

(a) Net pension asset

	2019 £000	2018 £000
Defined benefit obligation		
Plan assets	(45,345) 55,443	(41,557) 48,982
Scheme surplus	10,098	7,425
Provision for unfunded pension obligations	(156)	(149)
Net pension asset	9,942	7,276

(b) Movement in present value of defined benefit obligations

	2019 £000	2018 £000
At 1 January	41,557	44,167
Interest on plan liabilities	1,101	1,033
Re-measurement: actuarial loss/(gain)	4,253	(2,172)
Benefits paid	(1,566)	(2,265)
Past service costs re: GMP equalisation	-	794
At 31 December	45,345	41,557

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**15. PENSION ARRANGEMENTS continued**

(c) Movements in fair value of plan assets

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
At 1 January	<b>48,982</b>	51,870
Interest income	<b>1,320</b>	1,226
Re-measurement: return on plan assets less interest income	<b>5,505</b>	(2,992)
Contributions by the employer	<b>1,403</b>	1,403
Running costs	<b>(201)</b>	(260)
Benefits paid	<b>(1,566)</b>	(2,265)
At 31 December	<b>55,443</b>	48,982

(d) Expense recognised in the profit & loss account:

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Net interest income on net defined benefit pension scheme	<b>(18)</b>	(193)
Net interest expense on unfunded liabilities	<b>4</b>	4
Net interest income on pension scheme	<b>(14)</b>	(189)
Past service cost re: GMP equalisation	-	794
Total income recognised in the profit & loss account	<b>(14)</b>	605

(e) The fair value of the plan assets and the return on those assets were as follows:

	<b>2019</b> <b>%</b>	<b>2018</b> <b>%</b>
Equities	-	14.0
Bonds	<b>21.0</b>	20.0
Diversified Growth Funds	<b>13.0</b>	13.0
Liability Driven Investments	<b>25.0</b>	29.0
Cash and net current assets	<b>41.0</b>	24.0
	<b>100.0</b>	100.0

**BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS continued**  
**Year ended 31 December 2019**

**15. PENSION ARRANGEMENTS continued**

(f) Principal actuarial assumptions (expressed in weighted averages) at the yearend were as follows:

	2019 %	2018 %
Discount rate	2.0	2.7
Future salary increase	3.4	3.7
Medical cost trend	n/a	n/a
RPI inflation	2.9	3.2
CPI inflation	2.1	2.1
Rate of increase in pensions (pre 97 pension) *	2.3	2.4
Rate of increase in pensions (post 97 pension) *	2.8	3.1
Life expectancy male aged 60 in 2015/2014	27.3 years	27.3 years
Life expectancy male aged 60 in 2035/2034	28.9 years	28.8 years

\* Post 1997 pension limited to 5.0% pa / Pre 1997 pension limited to 3.0% pa.

\* We have applied a 4% increase to the index-linked pensioner liabilities to allow for the 0% floor that is expected to apply to inflation-linked pension increases over the next few years (since inflation is expected to fall below zero over that period).

**16. CONTINGENT LIABILITIES**

On 2 November 2017, the company granted a floating charge over all of the property or undertaking of the company to Wilmington Trust (London) Ltd in connection with debt drawn down by Alchemy LLC, the company's ultimate parent undertaking. It is not possible to quantify the likely financial exposure of this floating charge.

**17. ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP**

The company is a 100% indirect subsidiary undertaking of Alchemy Copyrights LLC.

The largest group in which the results of the Company and its group are consolidated is that headed by Alchemy Copyrights LLC, a corporation incorporated in the state of Delaware, USA and located at 5750 Wilshire Boulevard, Los Angeles, CA 90036, USA, whose accounts are not publicly available.

The smallest group in which they are consolidated is that headed by Boosey & Hawkes Holdings Limited. No other group financial statements include the results of the company.

**18. SUBSEQUENT EVENTS**

Subsequent to the balance sheet date on 14 August 2020, the company granted a supplemental floating charge as part of a refinancing exercise by the ultimate parent Alchemy Copyrights LLC. The refinancing amounted to the taking out by Alchemy Copyrights LLC of a new \$600,000,000 facility from J P Morgan Chase Bank NA and all group and company assets were pledged as security through a supplemental security document, registered at Companies House. The new facility was used to repay existing debt and provide additional investment funds.

Subsequent to the year end on 30 June 2020, the company acquired from Boosey & Hawkes Group Services Ltd, its immediate parent company, a 100% direct investment in Boosey & Hawkes Deutschland GmbH in a share for share exchange on the issue of 500,000 ordinary shares of £1 each.

An interim dividend for 2020 of £1,000,000 was declared and paid on 21 December 2020.