

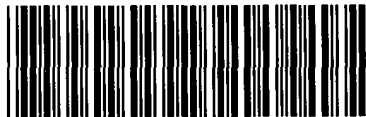
Company Registration No. 01213301

Trojan Recordings Limited

Report and Financial Statements

Year ended 31 December 2014

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Trojan Recordings Limited

Report and financial statements 2014

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Trojan Recordings Limited

Report and financial statements 2014

Officers and professional advisers

Directors

Mark Ranyard
Maximilian Dressendoerfer
John Dobinson

Registered Office

33 Wigmore Street
London
United Kingdom
W1U 1QX

Solicitors

Simons Muirhead & Burton
8-9 Frith Street
London
W1D 3JB

Trojan Recordings Limited

Directors' report

The directors present their Directors' report and financial statements for the year ended 31 December 2014 for Trojan Recordings (the "Company").

Business review

The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the current and prior year. It is anticipated that the Company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business or the Company.

The Company did not trade in the current or prior year.

Directors

The directors who held office during the year were as follows:

Mark Ranyard
Maximilian Dressendoerfer
John Dobinson

Dividends

The directors do not recommend a dividend (2013: £nil).

Directors and officers insurance

The Company maintains liability insurance for directors and officers of the Company.

Employees

The Company does not have any employees (2013: nil).

Political and charitable contributions

The Company made no political or charitable contributions or incurred any political expenditure during the current or prior year.

Trojan Recordings Limited

Statement of directors' responsibilities

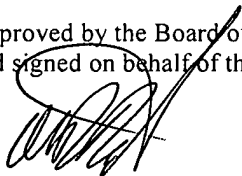
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

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

Approved by the Board of Directors
and signed on behalf of the Board



M Ranyard
Director

27 March 2015

Trojan Recordings Limited

Statement of financial position As at 31 December 2014

	Notes	2014 £	2013 £
Current assets			
Trade and other receivables	3	9,500	9,500
Total assets		9,500	9,500
Equity			
Share capital	4	1,350	1,350
Retained earnings		8,150	8,150
Total shareholder's equity		9,500	9,500
Total equity and liabilities		9,500	9,500

Trojan Recordings Limited, registered number 01213301, did not trade during the current year and has made neither profit nor loss, nor any other recognised gain or loss.

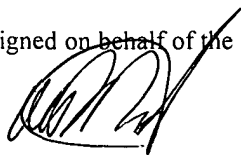
For the year ending 31 December 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Trojan Recordings Limited, registered number 01213301 were approved by the Board of Directors on 27 March 2015.

Signed on behalf of the Board of Directors



M Ranyard
Director

Trojan Recordings Limited

Notes to the financial statements (continued)

Year ended 31 December 2014

1. Accounting policies

Trojan Recordings Limited (the "Company") is a company incorporated in the United Kingdom.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union ("EU").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

The financial statements are presented in pounds sterling. They are prepared on the historical cost basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the European Union ("EU").

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the period of the revision and future years if the revision affects both current and future years.

Measurement convention

The financial statements are prepared on the historical cost basis except financial instruments classified as fair value through profit or loss. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Trojan Recordings Limited

Notes to the financial statements (continued) Year ended 31 December 2014

1. Accounting policies (continued)

New and amended standards adopted by the company

The following standards have been adopted by the company for the first time for the financial year beginning 1 January 2014, but do not have a material impact on the company:

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the company:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted subject to EU endorsement.

2. Directors' remuneration

The directors received no remuneration from the Company for services during the year (2013: £nil)

Trojan Recordings Limited

Notes to the financial statements (continued) Year ended 31 December 2014

3. Trade and other receivables

	2014 £	2013 £
Trade and other receivables from group companies	9,500	9,500

4. Share capital

	2014 £	2013 £
Authorised Share Capital:		
25,000 ordinary shares of £1 each	25,000	25,000

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	1,350	1,350	1,350	1,350

Trojan Recordings Limited

Notes to the financial statements (continued) Year ended 31 December 2014

5. Financial instruments

Exposure to credit, interest rate and currency risks arises in the normal course of the Company's business.

(a) Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the Statement of financial position date if the effect is material.

Fair values

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the Statement of financial position are as follows:

	2014		2013	
	Carrying amount £	Fair value £	Carrying amount £	Fair value £
Trade and other receivables from group companies	9,500	9,500	9,500	9,500
	<u>9,500</u>	<u>9,500</u>	<u>9,500</u>	<u>9,500</u>
Unrecognised gains/losses				-

(a) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from group companies. This risk is mitigated as balances are spread across multiple parties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. There was no exposure to credit risk at the year end.

(b) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Liquidity is managed by group via the cash pooling facility.

(c) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

Market risk - Foreign currency risk

The Company has no exposure to foreign currency risk.

Trojan Recordings Limited

Notes to the financial statements (continued) Year ended 31 December 2014

5. Financial instruments (continued)

Sensitivity analysis — Foreign currency risk

The Company did not issue any foreign currency invoices during the year and so exposure to foreign currency risk is minimal.

Market risk – interest rate risk

The Company utilises a group cash pooling facility, on which interest is charged at variable rates, based on the 3 month LIBOR market rate.

Sensitivity analysis – interest rate risk

A change of one percent in interest rates at the Statement of financial position date would have increased the loss by the amounts shown below. This calculation assumes that the change occurred at the statement of financial position date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remains constant and considers the effect of financial instruments with variable interest rates.

At the year end it is estimated that an increase of one percentage rise in the 3 month LIBOR market rate would increase the Company's loss before taxation by approximately £nil (2013: £nil).

6. Related parties

Identity of related parties

The immediate parent company is Sanctuary Records Group Limited, a company incorporated in the United Kingdom. The Company's ultimate parent company and group is the international media company Bertelsmann SE & Co. KGaA.

The Company had related party relationships in the year with subsidiaries of Bertelsmann SE & Co. KGaA, and with its directors and executive officers.

Related party transactions

During the year the Company entered into the following related party transactions. The transactions were priced on an arm's length basis.

	Trade and other receivable balances	
	2014	2013
	£	£
BMG Rights Management (UK) Limited	9,500	9,500

7. Ultimate parent company and controlling party

The immediate parent company is Sanctuary Records Group Limited, a company incorporated in the United Kingdom. The ultimate parent company is Bertelsmann SE & Co. KGaA.

The results of the Company are included in the consolidated financial statements of Bertelsmann SE & Co KGaA which is registered at Carl-Bertelsmann-Strasse 270, 33311 Gütersloh, Germany. These consolidated accounts are publicly available.

No other group financial statements include the results of the Company.