

Unaudited Financial Statements

SPZ Holdings Limited

For the year ended 31 October 2014

WEDNESDAY



S4CNUR2M

SPE 29/07/2015 #18
COMPANIES HOUSE

A4CINNUUG

A10 29/07/2015 #30
COMPANIES HOUSE

Registered number: 02301116

SPZ Holdings Limited

Company Information

Directors	T C Horn A Horn A J Horn
Registered number	02301116
Registered office	105 Ladbroke Grove London W11 1PG
Accountants	Grant Thornton UK LLP Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	Coutts & Co Media Banking 440 Strand London WC2R 0QS

Contents

	Page
Directors' report	1
Accountant's report	2
Consolidated profit and loss account	3
Consolidated statement of total recognised gains and losses	4
Consolidated balance sheet	5 - 6
Company balance sheet	7
Notes to the financial statements	8 - 21

Directors' Report

For the year ended 31 October 2014

The directors present their report and the financial statements for the year ended 31 October 2014

Activities

SPZ Holdings Limited is the parent company of a group of companies engaged in music recording, publishing and production together with the provisions of sound recording facilities, equipment hire and the management of record producers and studio engineers

Additionally, the group has interests in the management of, and investment in, theatrical and television projects, and in investment property management

Directors

The directors who served during the year were

T C Horn
A Horn
A J Horn

Principal risks and uncertainties

Price risk

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK. The group has no exposure to equity securities price risk as it holds no listed or other equity investments

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board

Liquidity risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions

Cash flow risk

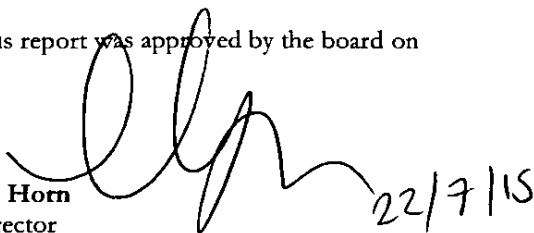
The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which earn interest at a fixed rate. The group has a policy of maintaining debt at fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature

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

This report was approved by the board on

and signed on its behalf

A J Horn
Director



22/7/15



Report to the directors on the preparation of the unaudited statutory financial statements of SPZ Holdings Limited for the year ended 31 October 2014

We have compiled the accompanying financial statements of SPZ Holdings Limited based on the information you have provided. These financial statements comprise the Balance Sheet of SPZ Holdings Limited as at 31 October 2014, the Profit and Loss Account, the Consolidated statement of total recognised gains and losses for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of SPZ Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 20 February 2015. Our work has been undertaken solely to prepare for your approval the financial statements of SPZ Holdings Limited and state those matters that we have agreed to state to the Board of Directors of SPZ Holdings Limited, as a body, in this report in accordance with our engagement letter dated 20 February 2015. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than SPZ Holdings Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

London Euston

Date 22/7/15

Consolidated Profit and Loss Account

For the year ended 31 October 2014

	Note	2014 £	2013 £
Turnover	1	5,265,349	5,524,238
Cost of sales		(2,432,507)	(2,331,646)
Gross profit		2,832,842	3,192,592
Administrative expenses		(2,908,704)	(3,722,337)
Operating loss	2	(75,862)	(529,745)
Share of operating profit in associated undertakings		343,219	140,655
Total operating profit/(loss)		267,357	(389,090)
Interest payable and similar charges		(153,940)	(167,673)
Profit/(loss) on ordinary activities before taxation		113,417	(556,763)
Tax on profit/(loss) on ordinary activities	4	(836)	-
Profit/(loss) on ordinary activities after taxation		112,581	(556,763)
Equity minority interest		75	740
Profit/(loss) for the financial year	14	112,656	(556,023)

The notes on pages 8 to 21 form part of these financial statements

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 October 2014

	Note	2014 £	2013 £
Profit/(loss) for the financial year		112,656	(556,023)
Unrealised surplus on revaluation of investment properties		-	200,000
Currency translation differences on foreign currency net investments		-	(10,897)
Total recognised gains and losses relating to the year		112,656	(366,920)

The notes on pages 8 to 21 form part of these financial statements

Consolidated Balance Sheet

As at 31 October 2014

	Note	£	2014 £	2013 (restated) £
Fixed assets				
Tangible assets	6		453,570	548,428
Investment property	7		-	575,000
Investments	8		1,536	1,536
Investments in associates	8		655,687	312,468
			<u>1,110,793</u>	<u>1,437,432</u>
Current assets				
Stocks		57,206		56,821
Debtors	10	4,506,751		4,726,903
		<u>4,563,957</u>		<u>4,783,724</u>
Creditors amounts falling due within one year	11	(4,257,530)		(4,235,980)
Net current assets			<u>306,427</u>	<u>547,744</u>
Total assets less current liabilities			<u>1,417,220</u>	<u>1,985,176</u>
Creditors amounts falling due after more than one year	12		(3,948,803)	(4,169,147)
Net liabilities			<u>(2,531,583)</u>	<u>(2,183,971)</u>
Capital and reserves				
Called up share capital	13		100,000	100,000
Investment property reserve	14		-	425,739
Foreign exchange reserve	14		(280,588)	(246,134)
Profit and loss account	14		(2,241,138)	(2,353,794)
Shareholders' deficit			<u>(2,421,726)</u>	<u>(2,074,189)</u>
Minority interests			<u>(109,857)</u>	<u>(109,782)</u>
			<u>(2,531,583)</u>	<u>(2,183,971)</u>

Consolidated Balance Sheet (continued)

As at 31 October 2014

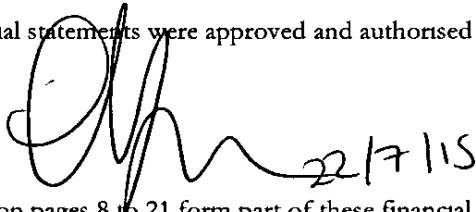
The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 October 2014 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

A J Horn
Director

A handwritten signature in black ink, appearing to be 'AJH', followed by the date '22/7/15'.

The notes on pages 8 to 21 form part of these financial statements

Company Balance Sheet

As at 31 October 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Investments	8		2,444		2,444
Current assets					
Debtors		4,997,819		5,194,316	
Creditors: amounts falling due within one year	11	<u>(1,198,203)</u>		<u>(1,198,203)</u>	
Net current assets			<u>3,799,616</u>		<u>3,996,113</u>
Total assets less current liabilities			<u>3,802,060</u>		<u>3,998,557</u>
Creditors: amounts falling due after more than one year	12		<u>(3,938,452)</u>		<u>(4,134,949)</u>
Net liabilities			<u>(136,392)</u>		<u>(136,392)</u>
Capital and reserves					
Called up share capital	13		100,000		100,000
Profit and loss account	14		<u>(236,392)</u>		<u>(236,392)</u>
Shareholders' deficit			<u>(136,392)</u>		<u>(136,392)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 October 2014 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

A J Horn
 Director

The notes on pages 8 to 21 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 October 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared on the going concern basis as the company has received confirmation from T C Horn, the company's ultimate controlling party, of his intention to continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period of not less than a year from the date of approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis, notwithstanding the deficit on net liabilities at 31 October 2014 at both the group and company level.

1.2 Basis of consolidation

The financial statements consolidate the accounts of SPZ Holdings Limited and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit and loss account for the year dealt with in the accounts of the company was £NIL (2013 - £NIL).

No profit and loss account is presented for SPZ Holdings Limited as permitted by section 408(3) of the Companies Act 2006.

1.3 Turnover

Royalties receivable are recognised on notification to the company by record companies and sub-publishers, in respect of all royalty accounting periods ending within the financial year.

License income is recognised in full upon invoicing of the licensee.

Production income is recognised in reference to contractual terms and the extent to which the company's performance obligations have been met.

Office and residential rental income is recognised as rents fall due, normally on a monthly basis.

Studio rental income is recognised upon receipt of a booking confirmation.

Management fees from investments are recognised as and when declared by the directors of the associated companies. Estimates are used where an exact amount has not yet been determined but an intention to pay has been made by the associated company.

Studio spares income is recognised as goods are sold.

Notes to the Financial Statements

For the year ended 31 October 2014

1. Accounting Policies (continued)

1.4 Royalties payable

Royalties payable are calculated by reference to distributors' and sub-publishers' returns used for determining royalties receivable

1.5 Advances

Advances received from sub-publishers are carried forward until the earlier of recoupment, agreement expiry date or recognition that recoupment is unlikely to take place

Advances made to artists in respect of future royalties are treated as current assets. Advances are written off to the profit and loss account when the royalties are recognised in accordance with the above policy. Provision is made against any advance where it is considered that recoupment is unlikely to take place

1.6 Intangible fixed assets and amortisation

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over the useful economic life which is 20 years. Provision is made for any impairment in value

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short leasehold property and improvements	-	Over the life of the lease
Motor vehicles	-	25% - 33% straight line basis
Fixtures, fittings and office equipment	-	20% straight line basis
Studio equipment	-	3% - 50% straight line basis
Recording studio	-	10% - 14% straight line basis

1.8 Investments

(i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment

(ii) Associated undertakings

Investments in associates are stated at the amount of the company's share of net assets. The Profit and loss account includes the company's share of the associated companies' profits after taxation using the equity accounting basis

(iii) Other investments

Investments held as fixed assets are shown at market value

Notes to the Financial Statements

For the year ended 31 October 2014

1. Accounting Policies (continued)

1 9 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

1 10 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

2. Operating loss

The operating loss is stated after charging

	2014 £	2013 £
Depreciation of tangible fixed assets		
- owned by the group	134,590	146,143
Pension costs	41,705	17,111
	<u>176,295</u>	<u>163,254</u>

3. Directors' remuneration

	2014 £	2013 £
Aggregate remuneration	-	473,657
	<u>-</u>	<u>473,657</u>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

Notes to the Financial Statements

For the year ended 31 October 2014

4. Taxation

	2014 £	2013 £
Foreign tax on income for the year	836	-
Tax on profit/loss on ordinary activities	836	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 21.83% (2013 - 23.41%). The differences are explained below

	2014 £	2013 £
Profit/loss on ordinary activities before tax	113,417	(556,763)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.83% (2013 - 23.41%)	24,759	(130,363)
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(8,906)	20,938
Capital allowances for year (less than)/in excess of depreciation	(1,873)	(98)
Taxes on overseas earnings	836	-
Short term timing difference leading to an (decrease)/increase in taxation	6,990	(1,374)
Non-taxable income	(173,431)	(39,026)
Chargeable gains/(losses)	76,596	-
Unutilised tax losses	75,865	149,923
Current tax charge for the year (see note above)	836	-

Factors that may affect future tax charges

There is a deferred tax asset of £889,507 (2013 - £823,956) relating to unutilised losses which is not recognised in the financial statements

Notes to the Financial Statements

For the year ended 31 October 2014

5. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 November 2013 and 31 October 2014	280,060
Amortisation	
At 1 November 2013 and 31 October 2014	280,060
Net book value	
At 31 October 2014	-
At 31 October 2013	-

6. Tangible fixed assets

	Short leasehold property and improve- ments £	Studio equipment £	Motor vehicles £	Recording studio £	Fixtures, fittings & office equipment £	Total £
Group						
Cost						
At 1 November 2013	3,415,123	4,602,698	212,475	245,207	735,422	9,210,925
Additions	52,327	27,300	6,230	-	11,150	97,007
Disposals	-	(80,000)	-	-	-	(80,000)
At 31 October 2014	3,467,450	4,549,998	218,705	245,207	746,572	9,227,932
Depreciation						
At 1 November 2013	3,176,448	4,468,260	137,667	224,621	655,501	8,662,497
Charge for the year	45,627	31,412	25,367	9,112	24,347	135,865
On disposals	-	(24,000)	-	-	-	(24,000)
At 31 October 2014	3,222,075	4,475,672	163,034	233,733	679,848	8,774,362
Net book value						
At 31 October 2014	245,375	74,326	55,671	11,474	66,724	453,570
At 31 October 2013	238,675	134,438	74,808	20,586	79,921	548,428

Notes to the Financial Statements

For the year ended 31 October 2014

7. Investment property

	Freehold investment property £
Group	
Valuation	
At 1 November 2013	575,000
Disposals	(575,000)
At 31 October 2014	-
Revaluation reserves	
At 1 November 2013 (restated)	425,739
Released to the profit and loss on disposal	(425,739)
At 31 October 2014	-

The last independent valuation was carried out by Barry Knight on 31 October 2008

8. Fixed asset investments

	Investments in associates £	Listed investments £	Total £
Group			
Cost or valuation			
At 1 November 2013	312,468	1,536	314,004
Share of profit/(loss)	343,219	-	343,219
At 31 October 2014	655,687	1,536	657,223
Net book value			
At 31 October 2014	655,687	1,536	657,223
At 31 October 2013	312,468	1,536	314,004

Listed investments

The market value of the listed investments at 31 October 2014 was £1,536 (2013 - £1,536)

Notes to the Financial Statements

For the year ended 31 October 2014

8. Fixed asset investments (continued)

	Investments in subsidiary companies £
Company	
Cost or valuation	
At 1 November 2013 and 31 October 2014	2,444
Net book value	
At 31 October 2014	2,444
At 31 October 2013	2,444

Details of the principal subsidiaries and associates can be found under note number 9

Notes to the Financial Statements

For the year ended 31 October 2014

9. Principal subsidiaries and associates

a. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Horn Brothers Pictures Limited	England and Wales	50	Producer management & theatrical production investment
Horn Productions Limited	England and Wales	100	Studio recording services and music production
Music Bank (Hire) Limited	England and Wales	100	Studio recording services and equipment hire
Perfect Songs Limited	England and Wales	100	Music publishing
Sarm (East/West) Limited	England and Wales	100	Studio recording services and equipment hire
Sarm (UK) Limited	England and Wales	100	Group management services
Sarm Management Limited	England and Wales	100	Producer management & theatrical production investment
Sarm Records Limited	England and Wales	100	Studio recording services and equipment hire
SPZ Music Inc	USA	100	Music publishing
SPZ Musikverlag GmbH **	Germany	100	Music publishing
SPZ Properties Limited	England and Wales	100	Property management
SPZ Services Limited	England and Wales	100	Producer management & theatrical production investment
Stuff Records Limited	England and Wales	100	Music recording
Unforgettable Songs Limited	England and Wales	100	Music publishing
ZTT Recordings Limited *	England and Wales	100	Studio recording services and equipment hire
ZTT Records Limited *	England and Wales	100	Music recording

b. Principal associates

Company name	Country	Percentage Shareholding	Description
750 MPH Limited	England and Wales	33	Television film and radio editing
Rocky Horror Company Limited	England and Wales	33	Theatrical and television production and investment
Underground Editing Limited	England and Wales	33	Theatrical and television production and investment

* 100% indirect control ** Dormant

Notes to the Financial Statements

For the year ended 31 October 2014

10. Debtors

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Due after more than one year				
Other debtors	-	4,967	-	-
Due within one year				
Trade debtors	651,298	364,922	-	-
Amounts owed by group undertakings	-	-	4,997,819	5,194,316
Other debtors	3,855,453	4,357,014	-	-
	<u>4,506,751</u>	<u>4,726,903</u>	<u>4,997,819</u>	<u>5,194,316</u>

Included within other debtors are advances to artists that will be recovered in a period greater than 1 year

11. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	479,114	453,482	-	-
Other loans (amounts owed to related parties)	1,195,284	1,195,284	1,195,284	1,195,284
Net obligations under finance leases and hire purchase contracts	23,847	22,508	-	-
Trade creditors	1,503,478	1,605,085	-	-
Amounts owed to group undertakings	-	13,703	2,469	2,469
Other taxation and social security	156,043	95,123	-	-
Other creditors	899,764	850,795	450	450
	<u>4,257,530</u>	<u>4,235,980</u>	<u>1,198,203</u>	<u>1,198,203</u>

The bank overdraft is secured and cross guaranteed by means of mortgage debentures over the assets of all fellow UK subsidiaries of SPZ Holdings Limited

Notes to the Financial Statements

For the year ended 31 October 2014

12. Creditors:

Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Other loans (amounts owed to related parties)	3,938,452	4,134,949	3,938,452	4,134,949
Net obligations under finance leases and hire purchase contracts	10,351	34,198	-	-
	<u>3,948,803</u>	<u>4,169,147</u>	<u>3,938,452</u>	<u>4,134,949</u>

13. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
100,000 Ordinary shares shares of £1 each	<u>100,000</u>	<u>100,000</u>

Notes to the Financial Statements

For the year ended 31 October 2014

14. Reserves

Group	Investment property revaluation reserve £	Foreign exchange reserve £	Profit and loss account £
At 1 November 2012	713,232	(235,237)	(2,285,264)
Prior year adjustment	(487,493)	-	487,493
At 1 November 2012 (restated)	225,739	(235,237)	(1,797,771)
Loss for the financial year to 31 October 2013			(556,023)
Movement on foreign exchange		(10,897)	
Movement on investment property revaluation	200,000		
At 1 November 2013 (restated)	425,739	(246,134)	(2,353,794)
Profit for the financial year			112,656
Movement on foreign exchange		(34,454)	
Transfer between reserves	(425,739)		
At 31 October 2014 (restated)	-	(280,588)	(2,241,138)

Prior year adjustment

An adjustment has been recognised in the opening reserves relating to the write off of historic revaluation reserves that were incorrectly carried forward on previously disposed investment properties

Company	Profit and loss account £
At 1 November 2013 and 31 October 2014	(236,392)

Notes to the Financial Statements

For the year ended 31 October 2014

15. Contingent liabilities

The company is party to a cross guarantee structure with the group's bankers by means of an unlimited composite guarantee dated 25 September 1998 given in full favour of all UK group companies. At 31 October 2014 net borrowings under this arrangement amounted to £1,563,850 (2013 - £453,482), of which £NIL (2013 - £NIL) is included in the company's accounts.

16. Pension commitments

One subsidiary operates a defined contribution pension scheme, The Horn Productions Limited 1983 Pension Scheme, on behalf of one of its directors.

The group also paid contributions amounting to £6,072 (2013 - £7,890) on behalf of two directors to personal pension plans. At the balance sheet date there were unpaid contributions of £NIL (2013 - £NIL).

17. Operating lease commitments

At 31 October 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other
	2014	2013	2013
Group	£	£	£
Expiry date:			
Within 1 year	28,300	109,167	1,333
Between 2 and 5 years	213,300	213,300	37,620
After more than 5 years	4,000	-	-

Notes to the Financial Statements

For the year ended 31 October 2014

18. Related party transactions

In August 2011, a loan of £1,500,000 was provided by the Horn Productions Limited 1983 Pension Scheme, a scheme of which T C Horn is the trustee. The loan is repayable in quarterly instalments over 5 years. Interest is charged on the loan at 1% above the Bank of England base rate. At the year end £537,299 (2013 - £838,838) was outstanding.

In August 2012, a loan of £4,000,000 was provided by the Horn Productions Limited 1983 Pension Scheme, a scheme of which T C Horn is the trustee. The loan is repayable in annual instalments over 5 years. Interest is charged on the loan at 1% above the Bank of England base rate. At the year end £2,442,781 (2013 - £3,233,608) was outstanding.

In May 2013, a loan of £1,250,000 was provided by the Horn Productions Limited 1983 Pension Scheme, a scheme of which T C Horn is the trustee. The loan is repayable in annual instalments over 5 years. Interest is charged on the loan at 1.0% above the Bank of England base rate. At the year end £1,041,121 (2013 - £1,258,287) was outstanding.

In May 2013, a loan of £1,130,000 was provided by the Horn Productions Limited 1983 Pension Scheme, a scheme of which T C Horn is the trustee. The loan is repayable in annual instalments over 5 years. Interest is charged on the loan at 1.0% above the Bank of England base rate. At the year end £1,139,535 (2013 - £Nil) was outstanding.

During the year, the group paid £Nil (2013 - £60,500) in rental charges to the Sinclair Horn Settlement Trust, of which T C Horn is the trustee. At the year end £Nil (2013 - £184,454) was due from Sinclair Horn Settlement Trust.

During the year, the group recharged £Nil (2013 - £Nil) to the Horn Productions Limited 1983 Pension Scheme, a scheme in which T C Horn is the trustee. At the year end £Nil (2013 - £14,337) was owed by the scheme to the group. Additionally, rent of £34,917 (2013 - £91,583) was paid during the year to the Horn Productions Limited 1983 Pension Scheme.

During 2011, Trevor Horn provided a loan of £300,000 to the group, and during 2014 he provided an additional loan of £150,000. No interest is charged on the loan and at the year end the balance outstanding was £140,649 (2013 - £21,536).

During the year, the group charged Rocky Horror Company Limited, an associated undertaking, a management fee of £Nil (2013 - £63,098). At the year end £Nil (2013 - £63,098) was due from Rocky Horror Company Limited.

During the year, the group charged Underground Editing Limited, an associated undertaking, £2,291 as a loan guarantee fee (2013 - £15,000). At the year end £Nil (2013 - £9,000) was due from Underground Editing Limited.

During the year, the group paid £NIL (2013 - £29,188) of expenses on behalf of Charlie Horn Properties. At the year end £53,482 (2013 - £29,188 due from) was due to Charlie Horn Properties.

During the year, the group paid £17,884 (2013 - £15,555) in advances and royalties to Sam and the Womp LLP, a music band of which director Aaron Horn is a member.

Notes to the Financial Statements

For the year ended 31 October 2014

18. Related party transactions (continued)

During the year, the group accrued £9,250 (2013 £Nil) in rental charges to Leah Developments Limited, a company of which Trevor Horn is a director and shareholder

During the year, the group accrued £19,050 (2013 £Nil) in rental charges to Esther Developments Limited, a company of which Trevor Horn is a director and Aaron Horn and Alexandra Horn are shareholders

During the year, the company incurred expenses of £41,553 (2013 - £23,834) on behalf of A J Horn, a director of the company At year end £61,422 (2013 - £19,868) was due from A J Horn £14,081 of S455 tax due in respect of this loan has been recognised

During the year, the company incurred expenses of £13,118 (2013 - £1,651) on behalf of Aaron Horn, a director of the company At year end £14,769 (2013 - £1,651) was due from Aaron Horn

The group has taken advantage of the exemptions from disclosure of intra-group transactions to and from 100% owned subsidiaries

19. Controlling party

The controlling party is T C Horn, by virtue of his shareholding in the company

20. Dormant entities guarantee

SPZ Holdings Limited has provided a parental guarantee for the following United Kingdom incorporated dormant subsidiaries for the year ended 31 October 2014 thus entitling them to exemption from filing their individual company accounts for that year with the registrar under sections 394A and 448A of the Companies Act 2006

Company Name	Company Number
Sarm (East/West) Limited	01676084
Sarm (U K) Limited	02048761
Sarm Management Limited	01909077
Sarm Records Limited	02222326
SPZ Services Limited	07028969