

Registered number: 02388043

MACLEN JOINT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



MACLEN JOINT LIMITED

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MACLEN JOINT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is the exploitation of music rights.

Directors

The directors who served during the year were:

Y O Lennon
J L Eastman

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

MACLEN JOINT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Small companies note

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 and signed on its behalf.



G Tweedale
Secretary

Date: 14 SEPTEMBER 2017

MACLEN JOINT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MACLEN JOINT LIMITED

We have audited the financial statements of Maclen Joint Limited for the year ended 31 December 2016, set out on pages 5 to 11. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

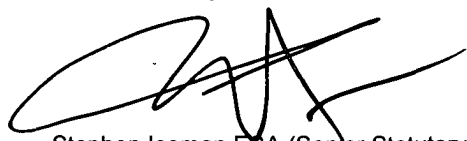
MACLEN JOINT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MACLEN JOINT LIMITED
(CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

Date:

14 SEPTEMBER 2017

MACLEN JOINT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	3	8,289,419	7,237,625
Administrative expenses		(5,079,412)	(4,357,501)
Operating profit		3,210,007	2,880,124
Interest receivable and similar income		15,231	14,119
Profit before tax		3,225,238	2,894,243
Tax on profit	6	(645,071)	(584,092)
Profit for the year		2,580,167	2,310,151

The notes on pages 8 to 11 form part of these financial statements.

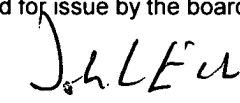
MACLEN JOINT LIMITED
REGISTERED NUMBER:02388043
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	7	2,860,664	1,706,215
Cash at bank and in hand		3,741,161	3,948,354
		<u>6,601,825</u>	<u>5,654,569</u>
Creditors: amounts falling due within one year	8	(2,729,925)	(1,962,836)
Net current assets		3,871,900	3,691,733
Net assets		3,871,900	3,691,733
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		3,871,800	3,691,633
		<u>3,871,900</u>	<u>3,691,733</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


Y. O. Lennon
Director


J. L. Eastman
Director

Date: 14 SEPTEMBER 2017

The notes on pages 8 to 11 form part of these financial statements.

MACLEN JOINT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100	3,691,633	3,691,733
Comprehensive income for the year			
Profit for the year	-	2,580,167	2,580,167
Dividends: Equity capital	-	(2,400,000)	(2,400,000)
At 31 December 2016	100	3,871,800	3,871,900

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	100	3,781,482	3,781,582
Comprehensive income for the year			
Profit for the year	-	2,310,151	2,310,151
Dividends: Equity capital	-	(2,400,000)	(2,400,000)
At 31 December 2015	100	3,691,633	3,691,733

The notes on pages 8 to 11 form part of these financial statements.

MACLEN JOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

Maclen Joint Limited is a limited liability company incorporated in England and Wales, with its registered office address at 27 Ovington Square, London, SW3 1LJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Royalty income

Royalty income is accounted for on an accruals basis. Royalty audit claims are not booked as income until amounts arising from such claims are received by the company.

2.3 Debtors

Short term debtors are measured at the transaction price, less any impairment.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on sufficient notice agreed in advance.

2.5 Creditors

Short term creditors are measured at the transaction price.

2.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is £ sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

MACLEN JOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.8 Affiliated undertakings

In these financial statements, undertakings are described as affiliated to Maclen Joint Limited if:

- a) they have the same shareholders or ultimate shareholders as Maclen Joint Limited; or
- b) the undertaking is owned by one or more of the ultimate shareholders of Maclen Joint Limited.

3. Turnover

Turnover comprises royalty income in respect of continuing activities, which is stated net of value added tax. It is the opinion of the directors that, in view of the nature of the company's business, the markets in which it operates do not differ substantially from each other and are therefore treated as one market for the purpose of disclosing the particulars of turnover in these financial statements.

4. Auditors' remuneration

Fees payable to the company's auditor in respect of:

Audit-related assurance services	10,000	10,000
All other services	10,988	10,988
	20,988	20,988

5. Employees

The company had no employees during the current and preceding year.

6. Taxation

	2016	2015
	£	£
Corporation tax		
Current tax on profits for the year	645,100	586,000
Adjustments in respect of previous periods	(29)	(1,908)
Double taxation relief	(43,079)	(89,046)
	601,992	495,046
Foreign tax		
Foreign tax on income for the year	43,079	89,046
Total current tax	645,071	584,092

MACLEN JOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Taxation (continued)

Factors affecting tax charge for the year

There were no material factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the composite rate of corporation tax in the UK of 20% (2015 - 20.25%).

7. Debtors

	2016 £	2015 £
Other debtors	146,875	129,024
Prepayments and accrued income	2,713,789	1,577,191
	<u>2,860,664</u>	<u>1,706,215</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to parent undertaking	53,292	53,286
Corporation tax	227,021	32,516
Accruals and deferred income	2,449,612	1,877,034
	<u>2,729,925</u>	<u>1,962,836</u>

9. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

MACLEN JOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Related party transactions

a) The company is party to an agreement with Apple Corps Limited, an undertaking in which Mrs Y O Lennon and Sir J P McCartney each has a 25% shareholding, whereby administration services are provided to Maclen Joint Limited. Mrs Y O Lennon is a director and shareholder of the company and Sir J P McCartney is a shareholder of the company. The amount provided for such services during the year amounted to £994,800 (2015 - £868,600).

The amount due at the year end amounted to £488,420 (2015 - £373,620) and is included in accruals.

(b) Promotional fees amounting to £1,989,600 (2015 - £1,737,200) were payable by the company to Sir J P McCartney and a company under his control. Sir J P McCartney is a shareholder of the company.

The amount due at the year end amounted to £976,840 (2015 - £747,240) and is included in accruals.

(c) Promotional fees amounting to £1,989,600 (2015 - £1,737,200) were payable by the company to Mrs Y O Lennon and a company under her control. Mrs Y O Lennon is a director and shareholder of the company.

The amount due at the year end amounted to £976,840 (2015 - £747,240) and is included in accruals.

The company has taken advantage of the exemption from disclosing related party transactions with other companies that are wholly owned within the group as permitted by Financial Reporting Standard 102.

11. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Maclen (Music) Limited, a company registered in England and Wales. Copies of Maclen (Music) Limited's financial statements can be obtained from the Registrar of Companies in Cardiff.