

Registration number 4126652

Chrysalis Music Publishing Limited
Directors' report and financial statements
for the year ended 31 August 2007

WEDNESDAY



LD5 "LKOFD19V" 393
09/07/2008
COMPANIES HOUSE

Chrysalis Music Publishing Limited

Company information

Directors	M D Connoles	(resigned 31 January 2008)
	N R Fenton	(resigned 31 October 2007)
	R J H Lascelles	
	A J Mollett	(appointed 30 October 2007)
	W Jackson	
Secretary	A J Mollett	
Company number	4126652	
Registered office	The Chrysalis Building Bramley Road London W10 6SP	
Auditors	KPMG Audit Plc 8 Salisbury Square London EC4Y 8BB United Kingdom	
Business address	The Chrysalis Building Bramley Road London W10 6SP	

Chrysalis Music Publishing Limited

Contents

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

Chrysalis Music Publishing Limited

Directors' report for the year ended 31 August 2007

The directors present their report and the audited financial statements for the year ended 31 August 2007

Principal activity and review of the business

The principal activity of the company is music publishing. The directors do not anticipate any change in this activity over the coming year.

Results and dividends

The profit of £81,252 (2006 £82,016) and transfer to reserves are set out in the profit and loss account on page 5.

The directors do not recommend payment of a dividend in the year ended 31 August 2007 (2006 £nil).

Directors

The directors who served during the year and to the date of this report are stated below.

M D Connole (resigned 31 January 2008)
N R Fenton (resigned 31 October 2007)
R J H Lascelles
A J Mollett (appointed 30 October 2007)
W Jackson
Wilmington Trust SP Services (London) Ltd

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Chrysalis Music Publishing Limited

**Directors' report
for the year ended 31 August 2007**

continued

The directors are responsible for keeping proper accounting records which 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 1985. 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

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 (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that KPMG Audit Plc be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on *27 June 2008* and signed on its behalf by

A J Mollett

A J Mollett
Secretary



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Chrysalis Music Publishing Limited

We have audited the financial statements of Chrysalis Music Publishing Limited for the year ended 31 August 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Chrysalis Music Publishing Limited (*continued*)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

27 June 2008

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Chrysalis Music Publishing Limited

**Profit and loss account
for the year ended 31 August 2007**

		Continuing operations	
		2007	2006
	Notes	£	£
Turnover	2	2,123,913	2,265,363
Cost of sales		(1,621,762)	(1,708,000)
Gross profit		<u>502,151</u>	<u>557,363</u>
Administrative expenses		(426,054)	(455,096)
Operating profit		<u>76,097</u>	<u>102,267</u>
Other interest receivable and similar income	4	<u>39,977</u>	<u>14,899</u>
Profit on ordinary activities before taxation	3	116,074	117,166
Tax on profit on ordinary activities	6	<u>(34,822)</u>	<u>(35,150)</u>
Profit on ordinary activities after taxation	11	<u><u>81,252</u></u>	<u><u>82,016</u></u>

There is no difference between the historical cost profit and that reported in the profit and loss account

There are no recognised gains or losses other than the profit recognised in the current and prior year

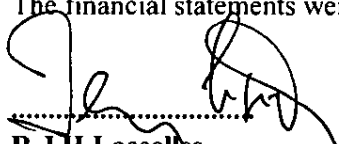
The notes on pages 7 to 11 form an integral part of these financial statements.

Chrysalis Music Publishing Limited

Balance sheet as at 31 August 2007

		2007		2006	
	Notes	£	£	£	£
Current assets					
Debtors	8	1,133,276		1,181,753	
		<u>1,133,276</u>		<u>1,181,753</u>	
Creditors: amounts falling due within one year	9	(753,871)		(883,600)	
Net current assets			379,405		298,153
Net assets			<u>379,405</u>		<u>298,153</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		379,404		298,152
Shareholders' funds	12		<u>379,405</u>		<u>298,153</u>

The financial statements were approved by the Board on *27 June 2008* and signed on its behalf by



R J H Lascelles
 Director

The notes on pages 7 to 11 form an integral part of these financial statements.

Chrysalis Music Publishing Limited

Notes to the financial statements for the year ended 31 August 2007

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards

Turnover

Turnover represents music publishing royalties (excluding value added tax) and relates wholly to the company's principal activity

Music publishing royalties

Music publishing royalties derived from the inclusion of the company's copyrights on recorded music products or from performance are recognised when they are earned by the company from the relevant collection society or record company. Royalties derived from the synchronisation of the company's copyrights on television programmes, films or advertisements are recognised as earned. Any unrecovered royalty advances received are carried forward until the end of the relevant contract period.

Royalties payable are expensed on an accruals basis except when advances payable are carried forward within trade and other receivables where they relate to proven artists or songwriters and where it is estimated that sufficient future royalties will be recouped against those advances. Advances paid to unproven songwriters are written off in the income statement in the year they are incurred.

Taxation

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

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

Chrysalis PLC entities are able to relieve their taxable losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of the group that such losses will be purchased and paid for by the recipient company. Where there is reasonable certainty that taxable losses can be utilised the group relief receivable is included in the taxation charge or credit for the year.

Chrysalis Music Publishing Limited

Notes to the financial statements for the year ended 31 August 2007

continued

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

	2007 £	2006 £
Geographical market		
UK	662,292	920,510
North America	454,689	483,048
Europe	724,130	709,271
Other	282,802	152,534
	<u>2,123,913</u>	<u>2,265,363</u>

3. Notes to the profit and loss account

	2007 £	2006 £
Operating profit before taxation on ordinary activities is stated after charging		
Auditors' remuneration		
-audit of these financial statements	<u>771</u>	<u>600</u>

4. Interest receivable and similar income

	2007 £	2006 £
Interest receivable from other group companies	<u>39,977</u>	<u>14,899</u>

5. Directors' emoluments

The directors received no remuneration from the company for services during the period (2006 £nil)

The company did not have any other employees and as a result incurred no staff costs (2006 £nil)

M D Connole and R J H Lascelles received remuneration from Chrysalis Group PLC, which is disclosed in the financial statements of that company

N R Fenton received remuneration from Chrysalis Group PLC which is included in the total payroll costs of that company

Chrysalis Music Publishing Limited

**Notes to the financial statements
for the year ended 31 August 2007**

continued

6. Tax on profit on ordinary activities

Analysis of charge for the year	2007 £	2006 £
---------------------------------	-----------	-----------

UK corporation tax	34,822	35,150
--------------------	--------	--------

Factors affecting the tax charge for the current year

The tax charge for the year is the standard rate of corporation tax in the UK at 30% (2006 30%)

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>116,074</u>	<u>117,166</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	<u>34,822</u>	<u>35,150</u>

7. Deferred taxation

Deferred tax has not been provided for at 31 August 2007 (2006 £nil) on the basis that there are no timing differences at the end of the year

8. Debtors

	2007 £	2006 £
Trade debtors	851,238	1,008,000
Amounts owed by group undertakings	282,037	173,752
Other debtors	<u>1</u>	<u>1</u>
	<u>1,133,276</u>	<u>1,181,753</u>

Included in trade debtors are certain amounts relating to writer advances that may not be recovered within one year

Chrysalis Music Publishing Limited

Notes to the financial statements for the year ended 31 August 2007

continued

9. Creditors: amounts falling due within one year	2007 £	2006 £
Trade creditors	748,000	879,000
Accruals and deferred income	5,871	4,600
	<u>753,871</u>	<u>883,600</u>
10. Share capital	2007 £	2006 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>
11. Reserves		Profit and loss account £
At 1 September 2006		298,152
Profit for the year		<u>81,252</u>
At 31 August 2007		<u>379,404</u>
12. Reconciliation of movements in shareholders' funds	2007 £	2006 £
Opening shareholders' funds	298,153	216,137
Profit for the year	<u>81,252</u>	<u>82,016</u>
Closing shareholders' funds	<u>379,405</u>	<u>298,153</u>

Chrysalis Music Publishing Limited

Notes to the financial statements for the year ended 31 August 2007

continued

13. Contingent liabilities

The company has not adopted amendments to FRS 26 in relation to financial guarantee contracts which apply for periods commencing on or after 1 January 2006

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee

14. Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) on the grounds that its parent undertaking, Chrysalis Group PLC, includes the company in its own published consolidated financial statements

15. Related party transactions

As the company is a wholly owned subsidiary of Chrysalis Group PLC, the company has taken advantage of the exemption contained in FRS 8 'Related Party Transactions' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Chrysalis Group PLC, within which the company is included, can be obtained from the address given in note 15. There were no other related party transactions

16. Ultimate parent undertaking

The immediate parent company is Chrysalis Music Limited, which is registered in England and Wales

At the balance sheet date, the ultimate parent company was Chrysalis Group PLC, which is incorporated in Great Britain, and registered in England and Wales. The consolidated accounts of Chrysalis Group PLC may be obtained from The Secretary, Chrysalis Group PLC, The Chrysalis Building, Bramley Road, London W10 6SP

17. Post balance sheet events

On 10 December 2007, the ordinary shares of Chrysalis PLC ('the company') were admitted to trading on the London Stock Exchange PLC's main market for listed securities. This occurred as part of a scheme of arrangement under which the Company replaced Chrysalis Group PLC as the listed parent entity of the group and £96.5m was returned to shareholders