

COMPANY REGISTRATION NUMBER 05853895

**ALL AROUND THE WORLD LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 DECEMBER 2015**



**ALL AROUND THE WORLD LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**ALL AROUND THE WORLD LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**THE BOARD OF DIRECTORS**

MG Cadman  
J C Nuttall  
DR J Sharpe  
A M Barker

**COMPANY SECRETARY**

A Abioye

**REGISTERED OFFICE**

364-366 Kensington High Street  
London  
W14 8NS

**AUDITOR**

Ernst & Young LLP  
Statutory Auditor  
1 More London Place  
London  
SE1 2AF

# **ALL AROUND THE WORLD LIMITED**

## **STRATEGIC REPORT**

### **YEAR ENDED 29 DECEMBER 2015**

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The directors present their strategic report for the company for the year ended 29 December 2015

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

All Around the The World Limited ('the company') is the holding company of a group of companies ('the group') which owns and controls a catalogue of sound recordings, which markets and distributes recorded music and also operate in the field of TV broadcasting

The result and position of the group for the year ended 29 December 2015 are set out in the statement of comprehensive income, statement of financial position, statement of changes in equity and cashflow statement on pages 7, 8, 10 and 12 respectively. The result and position of the group and the company were in line with directors' expectations

Turnover increased by £2,780,640 compared to prior year. The operating loss for the year was £1,076,947 compared to an operating loss of £1,968,397 in 2014

#### **RESULTS AND DIVIDENDS**

The group's loss for the financial year was £1,006,659, (2014 - loss £2,074,049). The retained loss for the year has been transferred to reserves

Dividends of £Nil (2014 - £Nil) were paid in the year

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

The company is faced with similar risks and uncertainties as other companies operating in the recorded music business, broadly

- competition from other major and independent record companies that license recorded music,
- competition from alternative entertainment products,
- price pressure from the increased presence of supermarkets in the music market and their threat to survival of independent music retailers,
- the threat of a devalued product due to piracy and the illegal use of music,
- as to whether the growth in the subscription services market can replace the decline in the physical and download market, and
- interest rate fluctuations

All risks and uncertainties are regularly monitored by the Board of Directors of the company

#### **FUTURE DEVELOPMENTS**

Notwithstanding the risks and uncertainties outlined above, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future

By Order of the board



JC Nuttall  
Director

08 DEC 2016

# **ALL AROUND THE WORLD LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 29 DECEMBER 2015**

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The directors present their report, strategic report and the financial statements of the company for the year ended 29 December 2015

### **DIRECTORS**

The directors who served the company during the year and subsequently were as follows

MG Cadman  
J C Nuttall  
DR J Sharpe  
A M Barker

### **DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

A qualifying third party indemnity provision remains in force as at the date of approving the directors' report, subject to the provisions of s236 CA 2006 Vivendi SA, the ultimate parent undertaking, maintains a Directors & Officers Liability Programme which indemnifies directors' personal liabilities resulting from alleged wrongful acts committed in the line of their employment

### **POLICY ON THE PAYMENT OF CREDITORS**

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with

### **DONATIONS**

The company made no charitable or political donations in either year.

# ALL AROUND THE WORLD LIMITED

## DIRECTORS' REPORT (continued)

YEAR ENDED 29 DECEMBER 2015

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### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report, the strategic report and 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Accounting Standards and applicable law). 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 year. 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 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.

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.

In so far as each of the directors at the date of approving this report are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



A Abioye

Company Secretary

Company Registration Number 05853895

08 DEC 2016

# **ALL AROUND THE WORLD LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALL AROUND THE WORLD LIMITED**

**YEAR ENDED 29 DECEMBER 2015**

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We have audited the financial statements of All Around The World Limited for the year ended 29 December 2015, which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position and Statement of Changes in Equity, the Group Cash Flow Statement and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial reporting Standard 102).

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.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities 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. 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 Auditing Practices Board'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 Strategic Report and 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 group's and parent company's affairs as at 29 December 2015 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, 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 the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# ALL AROUND THE WORLD LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALL AROUND THE WORLD LIMITED (continued)

**YEAR ENDED 29 DECEMBER 2015**

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### 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



Paul Gordon (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

13 December 2016

Company Registration Number 05853895



**ALL AROUND THE WORLD LIMITED**  
**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 29 DECEMBER 2015**

|  | Note      | Total<br>2015<br>£ | Total<br>2014<br>£ |
|--|-----------|--------------------|--------------------|
| <b>TURNOVER</b>  | <b>4</b>  | <b>9,189,624</b>   | <b>6,408,984</b>   |
| Cost of sales  |           | (5,855,908)        | (5,627,424)        |
| <b>GROSS PROFIT</b>  |           | <b>3,333,716</b>   | <b>781,560</b>     |
| Distribution costs   |           | (1,604)            | (3,275)            |
| Administrative expenses  |           | (4,409,059)        | (2,746,682)        |
| <b>OPERATING LOSS</b>  | <b>5</b>  | <b>(1,076,947)</b> | <b>(1,968,397)</b> |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE INVESTMENT<br/>INCOME, INTEREST AND TAXATION</b> |           | <b>(1,076,947)</b> | <b>(1,968,397)</b> |
| Interest receivable and similar income   | <b>9</b>  | -                  | 30                 |
| Interest payable and similar charges   | <b>10</b> | (546)              | -                  |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>                                     |           | <b>(1,077,493)</b> | <b>(1,968,367)</b> |
| Tax on profit/(loss) on ordinary activities  | <b>11</b> | 70,834             | (105,682)          |
| <b>LOSS FOR THE FINANCIAL YEAR</b>   |           | <b>(1,006,659)</b> | <b>(2,074,049)</b> |
| <b>Total other comprehensive loss</b>  |           | -                  | -                  |
| Tax on other comprehensive loss  |           | -                  | -                  |
| <b>TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR</b>                              |           | <b>(1,006,659)</b> | <b>(2,074,049)</b> |

All of the activities of the company are classed as continuing operations

**The notes on pages 13 to 31 form part of these financial statements**

**ALL AROUND THE WORLD LIMITED**  
**GROUP STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 DECEMBER 2015**

|   | Note | 2015<br>£          | 2014<br>£          |
|---|------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                                   |      |                    |                    |
| Intangible assets                                     | 13   | -                  | 1                  |
| Property, plant & equipment                           | 14   | 107,750            | 123,621            |
|   |      | <u>107,750</u>     | <u>123,622</u>     |
| <b>CURRENT ASSETS</b>                                 |      |                    |                    |
| Inventories   | 16   | 4,202              | -                  |
| Debtors Amounts falling due within one year           | 17   | 2,115,828          | 3,450,298          |
| Cash at bank  |      | 154,366            | -                  |
|   |      | <u>2,274,396</u>   | <u>3,450,298</u>   |
| <b>CREDITORS: Amounts falling due within one year</b> | 18   | (4,636,165)        | (4,821,280)        |
| <b>NET CURRENT LIABILITIES</b>                        |      | <u>(2,361,769)</u> | <u>(1,370,982)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>(2,254,019)</u> | <u>(1,247,360)</u> |
| <b>NET LIABILITIES</b>                                |      | <u>(2,254,019)</u> | <u>(1,247,360)</u> |
| <b>CAPITAL AND RESERVES</b>                           |      |                    |                    |
| Called-up equity share capital                        | 24   | 200                | 200                |
| Profit and loss account                               |      | (2,254,219)        | (1,247,560)        |
| <b>EQUITY SHAREHOLDERS' DEFICIT</b>                   |      | <u>(2,254,019)</u> | <u>(1,247,360)</u> |

These accounts were approved by the board of directors and authorised for issue on  
and are signed on their behalf by

08 DEC 2016

  
JC Nuttall

The notes on pages 13 to 31 form part of these financial statements

**ALL AROUND THE WORLD LIMITED**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 DECEMBER 2015**

|   | Note | 2015<br>£          | 2014<br>£         |
|---|------|--------------------|-------------------|
| <b>FIXED ASSETS</b>                                   |      |                    |                   |
| Intangible assets                                     | 13   | -                  | 580,000           |
| Property, plant & equipment                           |      | -                  | 2,775             |
| Financial assets                                      | 15   | 1,208              | 1,212             |
|   |      | <u>1,208</u>       | <u>583,987</u>    |
| <b>CURRENT ASSETS</b>                                 |      |                    |                   |
| Debtors Amounts falling due within one year           | 17   | 10,664,263         | 10,664,073        |
|   |      | <u>10,664,263</u>  | <u>10,664,073</u> |
| <b>CREDITORS: Amounts falling due within one year</b> | 18   | (11,756,892)       | (11,530,406)      |
| <b>NET CURRENT LIABILITIES</b>                        |      | <u>(1,092,629)</u> | <u>(866,333)</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>(1,091,421)</u> | <u>(282,346)</u>  |
| <b>NET LIABILITIES</b>                                |      | <u>(1,091,421)</u> | <u>(282,346)</u>  |
| <b>CAPITAL AND RESERVES</b>                           |      |                    |                   |
| Called-up equity share capital                        | 24   | 200                | 200               |
| Profit and loss account                               |      | (1,091,621)        | (282,546)         |
| <b>EQUITY SHAREHOLDERS' DEFICIT</b>                   |      | <u>(1,091,421)</u> | <u>(282,346)</u>  |

These accounts were approved by the board of directors and authorised for issue on  
and are signed on their behalf by

08 DEC 2016



JC Nuttall

The notes on pages 13 to 31 form part of these financial statements

**ALL AROUND THE WORLD LIMITED**  
**GROUP STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 29 DECEMBER 2015**

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|  | Share capital<br>£ | Profit & Loss<br>Account<br>£ | Total<br>share-holders'<br>funds<br>£ |
|--|--------------------|-------------------------------|---------------------------------------|
| Balance brought forward at 30 December 2014        | 200                | 826,489                       | 826,689                               |
| Balance at 30 December 2014 restated               | 200                | 826,489                       | 826,689                               |
| <b>Total comprehensive income for the period</b>   |                    |                               |                                       |
| Loss for the year                                  | -                  | (2,074,049)                   | (2,074,049)                           |
| Balance brought forward at 30 December 2014        | 200                | (1,247,560)                   | (1,247,360)                           |
| Balance at 30 December 2014 restated               | 200                | (1,247,560)                   | (1,247,360)                           |
| <b>Total comprehensive income for the period</b>   |                    |                               |                                       |
| Loss for the year                                  | -                  | (1,006,659)                   | (1,006,659)                           |
| <b>Balance carried forward at 29 December 2015</b> | <b>200</b>         | <b>(2,254,219)</b>            | <b>(2,254,019)</b>                    |

The notes on pages 13 to 31 form part of these financial statements

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**ALL AROUND THE WORLD LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 29 DECEMBER 2015**

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|  | Share capital<br>£ | Profit & Loss<br>Account<br>£ | Total<br>share-holders'<br>funds<br>£ |
|--|--------------------|-------------------------------|---------------------------------------|
| Balance brought forward at 30 December 2014        | 200                | (279,853)                     | (279,653)                             |
| Balance at 30 December 2013 restated               | 200                | (279,853)                     | (279,653)                             |
| <b>Total comprehensive income for the period</b>   |                    |                               |                                       |
| Loss for the year                                  | -                  | (2,693)                       | (2,693)                               |
| Balance brought forward at 30 December 2014        | 200                | (282,546)                     | (282,346)                             |
| Balance at 30 December 2014 restated               | 200                | (282,546)                     | (282,346)                             |
| <b>Total comprehensive income for the period</b>   |                    |                               |                                       |
| Loss for the year                                  | -                  | (809,075)                     | (809,075)                             |
| <b>Balance carried forward at 29 December 2015</b> | <b>200</b>         | <b>(1,091,621)</b>            | <b>(1,091,421)</b>                    |

The notes on pages 13 to 31 form part of these financial statements

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**ALL AROUND THE WORLD LIMITED**  
**GROUP CASH FLOW STATEMENT**  
**YEAR ENDED 29 DECEMBER 2015**

|   |    | 2015<br>£       | 2014<br>£          |
|---|----|-----------------|--------------------|
| <b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>  |    | <b>208,691</b>  | <b>(1,373,017)</b> |
| <b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>  |    |                 |                    |
| Interest received   |    | -               | 30                 |
| Interest paid   |    | (546)           | -                  |
| <b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>                             |    | <b>(546)</b>    | <b>30</b>          |
| <b>TAXATION</b>   |    | <b>(38,479)</b> | <b>(23,689)</b>    |
| <b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>   | 25 | <b>(15,300)</b> | <b>-</b>           |
| <b>NET CASH OUTFLOW FROM FINANCING</b>  |    | <b>-</b>        | <b>-</b>           |
| <b>INCREASE/ DECREASE IN CASH</b>   | 25 | <b>154,366</b>  | <b>(1,396,676)</b> |
| <b>RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b> |    |                 |                    |
|   |    | 2015<br>£       | 2014<br>£          |
| Operating (loss)/profit   |    | (1,076,947)     | (1,968,397)        |
| Amortisation  |    | 1               | 33,333             |
| Depreciation  |    | 31,171          | 17,119             |
| (Increase)/decrease in debtors  |    | 1,401,102       | (1,612,406)        |
| Increase/(decrease) in creditors  |    | (146,636)       | 2,157,334          |
| <b>Net cash (outflow)/inflow from operating activities</b>  |    | <b>208,691</b>  | <b>(1,373,017)</b> |

**The notes on pages 13 to 31 form part of these financial statements**

# ALL AROUND THE WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 29 DECEMBER 2015

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#### 1. STATUTORY INFORMATION

All Around The World Limited is a company limited by shares and incorporated and domiciled in the UK. The registered office is 364-366 Kensington High Street, London, W14 8NS.

#### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the FRS 102 as it applies at 29 December 2015.

The company transitioned from previously UK GAAP to FRS 102 as at 30 December 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 27.

#### 3. ACCOUNTING POLICIES

##### **Basis of preparation of financial statements**

The financial statements for the year ended 29 December 2015 are the first financial statements that comply with FRS 102. The presentation currency of these financial statements is sterling and rounded to the nearest £.

In the transition to FRS 102 from old UK GAAP, the company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

##### **First time adoption exemptions taken**

- The company has elected to use the previous GAAP valuation of tangible and intangible fixed assets at the date of transition to FRS 102 as its deemed cost at the transition date.
- Separate financial statements - The company has measured the value of its investments in subsidiaries, associates, and jointly controlled entities at cost less impairment. The deemed cost shall be the carrying amount at the date of transition as determined under the entity's previous GAAP.

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

##### **FRS 102 - Qualifying exemptions**

- The company's ultimate parent undertaking, Vivendi SA, includes the company in its consolidated financial statements. The consolidated financial statements of Vivendi SA are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:
- Reconciliation of the number of shares outstanding from the beginning to end of the period.
- Key Management Personnel compensation.

As the consolidated financial statements of Vivendi SA include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102 26 *Share Based Payments*, and
- The disclosures required by FRS 102 11 *Basic Financial Instruments* and FRS 102 12 *Other Financial Instruments Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Measurement convention**

The financial statements are prepared on the historical cost basis

**Going concern - continued support from parent undertaking**

The financial statements have been prepared on the going concern basis as the company has received confirmation for Universal Music Operations Limited, the company's intermediate parent undertaking, of its 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 not less than one 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 current liabilities at 29 December 2015.

**Basis of consolidation**

The group financial statements consolidate the financial statements of All Around The World Limited and its subsidiary undertakings drawn up to 29 December each year.

**Revenue recognition**

Turnover is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

**Royalties**

Royalty income is recognised in the profit and loss account in the period to which it relates, or if it cannot be reliably estimated, on a receipts basis. Royalties payable are charged against the relevant income of the same period.

**Interest income**

Interest income is recognised as interest accrues.

**Dividends**

Dividend income is recognised when the Group's right to receive payment is established.



**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Intangible assets and goodwill**

*Goodwill*

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

*Intangible assets*

Expenditure on internally generated goodwill and brands is recognised in the statement of comprehensive income as an expense as incurred.

Other intangible assets are stated at cost less accumulated amortisation and less accumulated impairment losses.

The costs of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

*Amortisation*

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets.

Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

|                   |  |
|-------------------|--|
| Brand & Catalogue | - Is now fully amortised (33% straight line) |
| Other Intangibles | - Is now fully amortised (33% straight line) |

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102, Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

**Property, plant and equipment**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

*Depreciation*

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                        |                  |
|------------------------|------------------|
| Leasehold improvements | - over 50 years  |
| Plant & Machinery      | - over 3-5 years |
| Fixtures & Fittings    | - over 5 years   |
| Motor Vehicles         | - over 5 years   |
| Software               | - over 3-5 years |

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Classification of financial instruments issued by the Company**

In accordance with FRS 102 22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

**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 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.

***Advances***

Advances to unproven artists are expensed. Advances to other artists are written down to the estimated amount that will be recoverable from future royalty payments to the artist. Net advances to artists are classified as falling due within one year, although elements may not be recovered until more than one year. Long term advances to artists, where the effect of the time value of money is material, are discounted.

***Interest-bearing loans borrowings classified as basic financial instruments***

All interest-bearing loans and borrowings are initially recognised at net proceeds. Interest bearing debt is increased by the finance cost in respect of the reporting period and reduced by any settlement made. Interest is charged and earned on a fixed element of the debt at an arms length rate.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Basic financial instruments (continued)**

*Investments in subsidiaries, jointly controlled entities and associates*

These are consolidated group and parent financial statements of the company. Investments in subsidiaries and associates are in the parent company financial statements and are carried at cost less impairment.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand.

**Other financial instruments**

*Financial instruments not considered to be Basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment, and

**Inventory**

Inventory are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

**Impairment excluding stocks and deferred tax assets**

*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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**3. ACCOUNTING POLICIES (continued)**

**Impairment excluding stocks and deferred tax assets (continued)**

***Non-financial assets***

The carrying amounts of the company's non-financial assets, other than stock and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**Provision for royalty audit claims**

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

**Provision for financial guarantees**

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, 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.

**Expenses**

***Interest receivable and Interest payable***

Interest payable and similar charges include interest payable, finance charges, unwinding of the discount on provisions, and net foreign exchange losses that are recognised through profit or loss in the statement of comprehensive income.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue. Dividend income is recognised in the statement of comprehensive income on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Taxation**

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

Current tax is the expected tax payable or receivable on the taxable income or loss 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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met, and differences relating to investments in subsidiaries, associated and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised through profit or loss in the statement of comprehensive income except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income.

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**4. TURNOVER**

Turnover by activity is as follows:

|                         | 2015<br>£        | 2014<br>£        |
|-------------------------|------------------|------------------|
| TV Channel Broadcasting | 2,328,045        | 2,137,299        |
| Music Record Sales      | 6,861,579        | 4,271,685        |
|                         | <u>9,189,624</u> | <u>6,408,984</u> |

Turnover by destination is as follows:

|                | 2015<br>£        | 2014<br>£        |
|----------------|------------------|------------------|
| United Kingdom | <u>9,189,624</u> | <u>6,408,984</u> |

Turnover by source is exclusively derived in the United Kingdom

**5. OPERATING LOSS**

Operating loss is stated after charging/(crediting):

|                                    | 2015<br>£     | 2014<br>£     |
|------------------------------------|---------------|---------------|
| Amortisation of intangible assets  | 1             | 33,333        |
| Depreciation of owned fixed assets | <u>31,171</u> | <u>17,119</u> |

**6. AUDITORS' REMUNERATION**

The auditors' remuneration for the year ended 29 December 2015 was £38,000 (2014 - £38,000) and was borne by another group company in 2015

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**7. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

|                               | 2015<br>No | 2014<br>No |
|-------------------------------|------------|------------|
| Commercial and administrative | <u>10</u>  | <u>8</u>   |

The aggregate payroll costs of the above were:

|                       | 2015<br>£'000  | 2014<br>£'000  |
|-----------------------|----------------|----------------|
| Wages and salaries    | 781,851        | 741,260        |
| Social security costs | 97,768         | 94,313         |
| Other pension costs   | 38,625         | 48,556         |
|                       | <u>918,244</u> | <u>884,129</u> |

**8. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

|  | 2015<br>£'000  | 2014<br>£'000  |
|--|----------------|----------------|
| Remuneration receivable                          | 500,000        | 497,000        |
| Excess retirement benefits funded by the company | 38,400         | 48,000         |
|  | <u>538,400</u> | <u>545,000</u> |

Remuneration of highest paid director:

|  | 2015<br>£'000  | 2014<br>£'000  |
|--|----------------|----------------|
| Total remuneration (excluding pension contributions)             | 250,000        | 248,600        |
| Value of company pension contributions to money purchase schemes | 19,200         | 24,000         |
|  | <u>269,200</u> | <u>272,600</u> |

The aggregate emoluments of the highest paid director was £250,000 (2014 - £248,600) Payments to a pension scheme of £19,200 (2014 - £24,000 ) were made on behalf of the highest paid directors

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

**9. INTEREST RECEIVABLE AND SIMILAR INCOME**

|                          | 2015<br>£ | 2014<br>£ |
|--------------------------|-----------|-----------|
| Bank interest receivable | -         | 30        |

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

|                       | 2015<br>£ | 2014<br>£ |
|-----------------------|-----------|-----------|
| Other finance charges | 546       | -         |

**11. TAX ON LOSS ON ORDINARY ACTIVITIES**

**(a) Analysis of tax credit in the year**

|  | 2015<br>£ | 2014<br>£ |
|--|-----------|-----------|
| <b>Current tax:</b>                            |           |           |
| UK Taxation<br>In respect of the year          |           |           |
| Adjustments in respect of previous years       | -         | (4,620)   |
| Total current tax                              | -         | (4,620)   |
| <b>Deferred tax:</b>                           |           |           |
| Origination and reversal of timing differences | (70,834)  | 105,263   |
| Other  | -         | 5,039     |
| Total deferred tax                             | (70,834)  | 110,302   |
| Tax on loss on ordinary activities             | (70,834)  | 105,682   |

|                                  | 2015<br>£   | 2015<br>£    | 2015<br>£ | 2014<br>£   | 2014<br>£    | 2014<br>£ |
|----------------------------------|-------------|--------------|-----------|-------------|--------------|-----------|
|                                  | Current Tax | Deferred Tax | Total Tax | Current Tax | Deferred Tax | Total Tax |
| Recognised in Profit<br>and loss | -           | (70,834)     | (70,834)  | (4,620)     | 110,302      | 105,682   |
| <b>Total Tax</b>                 | -           | (70,834)     | (70,834)  | (4,620)     | 110,302      | 105,682   |



**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**11. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)**

**(b) Factors affecting current tax credit**

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20.2% (2014 - 21.50%)

The Finance Act 2013 enacted reductions in the UK corporate tax rate to 21% from April 2014 and 20% from April 2015. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

|   | 2015<br>£   | 2014<br>£   |
|---|-------------|-------------|
| Loss on ordinary activities before taxation   | (1,077,493) | (1,968,367) |
| Loss on ordinary activities at the standard rate of UK Corporation tax of 20.2% (2014 21.50%) | (264,056)   | (423,199)   |
| Expenses not deductible for tax purposes  | 58,345      | 234,786     |
| Unrelieved tax losses   | 113,179     | 285,217     |
| Adjustments in respect of previous periods  | -           | 419         |
| Impact of statutory rate change   | 21,698      | 8,459       |
| Current tax (credit)/change for the financial year  | (70,834)    | 105,682     |

**12. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The loss dealt with in the financial statements of the parent company was £809,075 loss (2014 - £2,693 loss)

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. INTANGIBLE FIXED ASSETS**

**Group**

|                       | <b>Brand &amp;<br/>Catalogue<br/>£</b> | <b>TV Licence &amp;<br/>Software<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|--|--|--------------------|
| <b>COST</b>           |  |  |                    |
| At 30 December 2014   | 55,000                                 | 280,536                                    | 335,536            |
| At 29 December 2015   | <u>55,000</u>                          | <u>280,536</u>                             | <u>335,536</u>     |
| <b>AMORTISATION</b>   |  |  |                    |
| At 30 December 2014   | 55,000                                 | 280,535                                    | 335,535            |
| Charge for the year   | -                                      | 1  | 1                  |
| At 29 December 2015   | <u>55,000</u>                          | <u>280,536</u>                             | <u>335,536</u>     |
| <b>NET BOOK VALUE</b> |  |  |                    |
| At 29 December 2015   | <u>-</u>                               | <u>-</u>                                   | <u>-</u>           |
| At 29 December 2014   | <u>-</u>                               | <u>1</u>                                   | <u>1</u>           |

**Company**

|  | <b>Brand &amp;<br/>Catalogue<br/>£</b> |
|--|--|
| <b>COST</b>                              |  |
| At 30 December 2014 and 29 December 2015 | <u>635,000</u>                         |
| <b>AMORTISATION</b>                      |  |
| At 30 December 2014                      | 55,000                                 |
| Impairment                               | 580,000                                |
| At 29 December 2015                      | <u>635,000</u>                         |
| <b>NET BOOK VALUE</b>                    |  |
| At 29 December 2015                      | <u>-</u>                               |
| At 29 December 2014                      | <u>580,000</u>                         |

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. PROPERTY, PLANT & MACHINERY (TANGIBLE ASSETS)**

**Group**

|                            | <b>Leasehold<br/>Improvements</b> | <b>Plant &amp; Machinery</b> | <b>Fixtures &amp; Fittings</b> | <b>Motor Vehicles</b> | <b>Total</b>   |
|----------------------------|-----------------------------------|------------------------------|--------------------------------|-----------------------|----------------|
|                            | <b>£</b>                          | <b>£</b>                     | <b>£</b>                       | <b>£</b>              | <b>£</b>       |
| <b>COST</b>                |                                   |                              |                                |                       |                |
| At 30 December 2014        | 115,000                           | 393,766                      | 41,563                         | 18,669                | 568,998        |
| Additions                  | -                                 | 15,300                       | -                              | -                     | 15,300         |
| <b>At 29 December 2015</b> | <b>115,000</b>                    | <b>409,066</b>               | <b>41,563</b>                  | <b>18,669</b>         | <b>584,298</b> |
| <b>DEPRECIATION</b>        |                                   |                              |                                |                       |                |
| At 30 December 2014        | 7,400                             | 380,520                      | 41,563                         | 15,894                | 445,377        |
| Charge for the year        | 6,125                             | 22,271                       | -                              | 2,775                 | 31,171         |
| <b>At 29 December 2015</b> | <b>13,525</b>                     | <b>402,791</b>               | <b>41,563</b>                  | <b>18,669</b>         | <b>476,548</b> |
| <b>NET BOOK VALUE</b>      |                                   |                              |                                |                       |                |
| At 29 December 2015        | 101,475                           | 6,275                        | -                              | -                     | 107,750        |
| At 29 December 2014        | 107,600                           | 13,246                       | -                              | 2,775                 | 123,621        |

The net book amount of leasehold improvements comprises:  
Short leaseholds

| <b>2015</b>    | <b>2014</b>    |
|----------------|----------------|
| <b>£</b>       | <b>£</b>       |
| <b>101,475</b> | <b>107,600</b> |

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 29 DECEMBER 2015**

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**14. PROPERTY, PLANT & MACHINERY (TANGIBLE ASSETS) (continued)**

| <b>Company</b>                           | <b>Motor Vehicles<br/>£</b> |
|--|-----------------------------|
| <b>COST</b>                              |                             |
| At 29 December 2014 and 29 December 2015 | <u>18,669</u>               |
| <b>DEPRECIATION</b>                      |                             |
| At 29 December 2014                      | 15,894                      |
| Charge for the year                      | <u>2,775</u>                |
| <b>At 29 December 2015</b>               | <u>18,669</u>               |
| <b>NET BOOK VALUE</b>                    |                             |
| At 29 December 2015-                     | -                           |
| At 29 December 2014                      | <u>2,775</u>                |

**15. FINANCIAL ASSETS (INVESTMENTS)**

| <b>Company</b>             | <b>Group<br/>companies<br/>£'000</b> |
|----------------------------|--------------------------------------|
| <b>COST</b>                |                                      |
| At 1 January 2015          | 1,212                                |
| Movement in the year       | <u>(4)</u>                           |
| <b>At 29 December 2015</b> | <u>1,208</u>                         |
| <b>NET BOOK VALUE</b>      |                                      |
| At 29 December 2015        | <u>1,208</u>                         |
| At 29 December 2014        | <u>1,212</u>                         |

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. FINANCIAL ASSETS (INVESTMENTS) (continued)**

**Subsidiary Undertakings**

The principal subsidiaries of All Around The World Limited, at 29 December 2015 were as follows

| Name  | Country of Incorporation | Ordinary share holding | Nature of business      |
|---|--------------------------|------------------------|-------------------------|
| AATW Limited * (06147104)                     | United Kingdom           | 100%                   | Non Trading             |
| All Around The World Productions * (05453232) | United Kingdom           | 100%                   | Record Company          |
| All Around The World Reproductions Limited    | United Kingdom           | 100%                   | Record Company          |
| All Around The World TV Limited               | United Kingdom           | 100%                   | Record Company          |
| Clubland Productions Limited * (04939285)     | United Kingdom           | 100%                   | Record Company          |
| Ultimate Hits Limited * (05742076)            | United Kingdom           | 100%                   | Non Trading             |
| Penny Street TV Limited * (06341743)          | United Kingdom           | 100%                   | Television Broadcasting |
| TV Two Limited * (06747924)                   | United Kingdom           | 100%                   | Non Trading             |

\*The company has provided guarantees to these subsidiaries, incorporated in England and Wales, under registered number indicated, in order for them to claim exemptions from audit for the financial year 2015, under section 479A of the UK Companies Act 2006

**16. STOCKS**

|                | 2015<br>£ | Group<br>2014<br>£ | 2015<br>£ | Company<br>2014<br>£ |
|----------------|-----------|--------------------|-----------|----------------------|
| Finished goods | 4,202     | -                  | -         | -                    |

The difference between the purchase price of stock and their replacement cost is not material

**17. DEBTORS: Amounts due within one year**

|                                    | 2015<br>£        | Group<br>2014<br>£ | 2015<br>£         | Company<br>2014<br>£ |
|------------------------------------|------------------|--------------------|-------------------|----------------------|
| Trade debtors                      | 411,205          | 222,314            | -                 | -                    |
| Amounts owed by group undertakings | -                | -                  | 10,615,982        | 10,615,982           |
| VAT recoverable                    | 529,938          | 394,116            | -                 | -                    |
| Other debtors                      | 45,394           | 2,388,104          | 45,000            | 45,000               |
| Prepayments and accrued income     | 944,822          | 332,129            | -                 | -                    |
| Deferred taxation (note 19)        | 184,469          | 113,635            | 3,281             | 3,091                |
|                                    | <u>2,115,828</u> | <u>3,450,298</u>   | <u>10,664,263</u> | <u>10,664,073</u>    |

All amounts owed to fellow group undertakings are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

**ALL AROUND THE WORLD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**18 CREDITORS: Amounts falling due within one year**

|                                    | <b>2015</b>             | <b>Group</b>            | <b>2015</b>              | <b>Company</b>           |
|------------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
|                                    | <b>£</b>                | <b>2014</b>             | <b>£</b>                 | <b>2014</b>              |
|                                    |                         | <b>£</b>                |                          | <b>£</b>                 |
| Trade creditors                    | <b>2,567,095</b>        | 1,792,763               | -                        | -                        |
| Amounts owed to group undertakings | -                       | -                       | <b>11,756,892</b>        | 11,530,406               |
| Corporation tax                    | -                       | 38,479                  | -                        | -                        |
| Other creditors                    | <b>1,663,838</b>        | 2,420,095               | -                        | -                        |
| Accruals and deferred income       | <b>405,232</b>          | 569,943                 | -                        | -                        |
|                                    | <b><u>4,636,165</u></b> | <b><u>4,821,280</u></b> | <b><u>11,756,892</u></b> | <b><u>11,530,406</u></b> |

All amounts owed from fellow group undertakings are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

**19. DEFERRED TAXATION**

The movement in the deferred taxation account during the year was:

|   | <b>2015</b>           | <b>Group</b>          | <b>2015</b>         | <b>Company</b>      |
|---|-----------------------|-----------------------|---------------------|---------------------|
|   | <b>£</b>              | <b>2014</b>           | <b>£</b>            | <b>2014</b>         |
|   |                       | <b>£</b>              |                     | <b>£</b>            |
| Balance brought forward   | <b>113,635</b>        | 223,937               | <b>3,091</b>        | 2,875               |
| Deferred taxation on ordinary activities account movement arising during the year | <b>70,834</b>         | (110,302)             | <b>190</b>          | 216                 |
| Provision carried forward   | <b><u>184,469</u></b> | <b><u>113,635</u></b> | <b><u>3,281</u></b> | <b><u>3,091</u></b> |

The movement for deferred taxation consists of the tax effect of timing differences in respect of:

|   | <b>2015</b>           | <b>Group</b>          | <b>2015</b>         | <b>Company</b>      |
|---|-----------------------|-----------------------|---------------------|---------------------|
|   | <b>£</b>              | <b>2014</b>           | <b>£</b>            | <b>2014</b>         |
|   |                       | <b>£</b>              |                     | <b>£</b>            |
| Excess of depreciation over taxation allowances | <b>24,903</b>         | 30,774                | <b>3,281</b>        | 3,091               |
| Other timing differences                        | <b>159,566</b>        | 82,861                | -                   | -                   |
|   | <b><u>184,469</u></b> | <b><u>113,635</u></b> | <b><u>3,281</u></b> | <b><u>3,091</u></b> |

The deferred tax is included in the statement of financial position as follows:

|                               | <b>2015</b>           | <b>Group</b>          | <b>2015</b>         | <b>Company</b>      |
|-------------------------------|-----------------------|-----------------------|---------------------|---------------------|
|                               | <b>£</b>              | <b>2014</b>           | <b>£</b>            | <b>2014</b>         |
|                               |                       | <b>£</b>              |                     | <b>£</b>            |
| Included in debtors (note 17) | <b><u>184,469</u></b> | <b><u>113,635</u></b> | <b><u>3,281</u></b> | <b><u>3,091</u></b> |

# ALL AROUND THE WORLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29 DECEMBER 2015

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### 20. TRANSACTIONS WITH THE DIRECTORS

During the year the company paid Reidy's Music Entertainment Limited £49,656 (2014 - £43,462), a company in which JC Nuttall has an interest. During the year rental and other property services of £43,881 (2014 - £37,387) were purchased from Reidys Music. These were incurred by the company but paid for by Universal Music Operations Limited, our joint venture partner.

At the balance sheet date the company was owed £45,000 (2014 - £45,000) by All Around The World Publishing Limited, a company in which the directors JC Nuttall and MG Cadman have an interest.

At the balance sheet date the company was owed £300 (2014 - £300) by Clubland Connections Limited, a company in which the directors JC Nuttall and MG Cadman have an interest.

### 21. RELATED PARTY TRANSACTIONS

Universal Music Operations owns 50% of the ordinary shares in the company.

Sales to Universal Music Operations Limited during the year were £1,778,000 (2014- £1,252,376). Purchases from Universal Music Operations during the year were £377,000 (2014 - £652,443). Amounts owed to Universal Music Operations at the year end were £1,664,000 (2014 - £263,190 payable).

### 22. POST BALANCE SHEET EVENT

No post balance sheet events have been identified by management.

### 23. CAPITAL COMMITMENTS

The company had no capital commitments at 29 December 2015 or 29 December 2014.

### 24. SHARE CAPITAL

#### Authorised:

|                            | 2015<br>No | £     | 2014<br>No | £     |
|----------------------------|------------|-------|------------|-------|
| Ordinary shares of £1 each | 1,000      | 1,000 | 1,000      | 1,000 |

#### Allotted, called up and fully paid:

|                            | 2015<br>No | £   | 2014<br>No | £   |
|----------------------------|------------|-----|------------|-----|
| Ordinary shares of £1 each | 200        | 200 | 200        | 200 |

**ALL AROUND THE WORLD LIMITED**  
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**25. NOTES TO THE CASH FLOW STATEMENT**

**CAPITAL EXPENDITURE**

|   | 2015<br>£       | 2014<br>£ |
|---|-----------------|-----------|
| Payments to acquire tangible fixed assets | (15,300)        | -         |
| Net cash outflow from capital expenditure | <u>(15,300)</u> | <u>-</u>  |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

|   | 2015<br>£      | 2014<br>£          |
|---|----------------|--------------------|
| Opening net funds                         | -              | 1,396,676          |
| (Decrease)/increase in cash in the period | 154,366        | (1,396,676)        |
| Change in net funds                       | <u>154,366</u> | <u>(1,396,676)</u> |
| Closing net funds                         | <u>154,366</u> | <u>-</u>           |

**ANALYSIS OF CHANGES IN NET DEBT**

|                          | 2014<br>£ | Movement<br>£  | 2015<br>£      |
|--------------------------|-----------|----------------|----------------|
| Cash in hand and at bank | -         | 154,366        | 154,366        |
| Net debt                 | <u>-</u>  | <u>154,366</u> | <u>154,366</u> |



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**26. ULTIMATE PARENT COMPANY**

All Around The World Limited is owned 50% by Universal Music Operations Limited and 50% by JC Nuttall and MG Cadman

JC Nuttall and MG Cadman, who are directors of the company and manage the company on a day to day basis

The ultimate parent undertaking and controlling party is Vivendi SA, a company incorporated in France. The smallest and largest group in which the results of the company will be consolidated will be that headed by Vivendi SA, incorporated in France. Copies of its annual report in English may be obtained from

Vivendi SA  
42 Avenue de Friedland  
75380 Paris  
Cedex 08  
France

**27. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP**

As stated in note 2, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 29 December 2015 and the comparative information presented in these financial statements for the year ended 29 December 2014.

There were no adjustments arising from the transition to FRS 102.