

Wrathchild Limited

Registered number 06054244

Directors' report and financial statements

For the year ended 31 January 2010

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WRATHCHILD LIMITED

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WRATHCHILD LIMITED

COMPANY INFORMATION

Directors	Mr A Taylor Mr R Smallwood
Company secretary	Mr P de Vroome
Company number	06054244
Registered office	Brdle House 36 Brdle Lane London W1F 9BZ
Auditors	Mazars LLP Chartered Accountants & Statutory Auditors Tower Building Water Street Liverpool L3 1PQ
Bankers	HSBC Private Bank 78 St James's Street London SW1A 1JB
Solicitors	Michael Simpkins LLP Lynton House 7-12 Tavistock Square London WC1H 9LT

WRATHCHILD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

The directors present their report and the financial statements for the year ended 31 January 2010

Principal activity

The principal activity of the company is the exploitation of music copyrights

Directors

The directors who served during the year were

Mr A Taylor
Mr R Smallwood

Results and dividends

The profit for the year, after taxation, amounted to £1,409,579 (2009 - loss £35,959)

The directors have not recommended the payment of a dividend (2009 £Nil)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

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.

WRATHCHILD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

Provision 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

With effect from 1 October 2009, Chadwick LLP merged its business with that of Mazars LLP, following which Chadwick LLP resigned as auditor to the company. The directors have appointed Mazars LLP to fill the casual vacancy caused by their resignation and, in accordance with section 485 of the Companies Act 2006, a resolution to reappoint Mazars LLP will be put to the members.

This report was approved by the board and signed on its behalf



Mr A Taylor
Director

Date 28 October 2010

Bridle House
36 Bridle Lane
London
W1F 9BZ

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF WRATHCHILD LIMITED

We have audited the financial statements of Wrathchild Limited for the year ended 31 January 2010, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 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 (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/UKNP.

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 January 2010 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

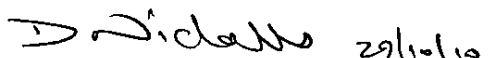
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF WRATHCHILD LIMITED

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


David Nicholls (Senior Statutory Auditor)

for and on behalf of Mazars LLP, Chartered Accountants (Statutory Auditors)

Tower Building
Water Street
Liverpool
L3 1PQ

29 October 2010

WRATHCHILD LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2010

	Note	2010 £	2009 £
Turnover	1	1,528,370	1,816,845
Administrative expenses		(1,559,096)	(1,868,024)
		<hr/>	<hr/>
Operating loss	3	(30,726)	(51,179)
Income from investments in group companies		1,440,000	-
Interest receivable		305	15,220
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		1,409,579	(35,959)
Tax on profit/(loss) on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit/(loss) for the financial year	12	1,409,579	(35,959)
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

WRATHCHILD LIMITED
REGISTERED NUMBER: 06054244

BALANCE SHEET
AS AT 31 JANUARY 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible fixed assets	6		4,404,497		5,019,370
Fixed asset investments	7		100		100
			<u>4,404,597</u>		<u>5,019,470</u>
Current assets					
Debtors	8	1,897,962		818,414	
Cash at bank		242,710		203,668	
		<u>2,140,672</u>		<u>1,022,082</u>	
Creditors , amounts falling due within one year	9	(592,823)		(6,070,114)	
Net current assets/(liabilities)			1,547,849		(5,048,032)
Total assets less current liabilities			5,952,446		(28,562)
Creditors : amounts falling due after more than one year	10		(4,571,429)		-
Net assets/(liabilities)			<u>1,381,017</u>		<u>(28,562)</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		1,380,917		(28,662)
Shareholders' funds/(deficit)	13		<u>1,381,017</u>		<u>(28,562)</u>

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


Mr A Taylor
 Director

Date 28 October 2010

The notes on pages 8 to 13 form part of these financial statements

WRATHCHILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2010

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Recording and publishing income is generated from the exploitation of music copyrights, in the form of royalties, and accounted for in the period in which they are received or are contractually due for payment.

All revenue is stated in the profit and loss account net of Value Added Tax.

1.3 Intangible fixed assets and amortisation

The intangible asset has arisen from the purchase of the right to future income on a catalogue of 13 albums previously produced by the band Iron Maiden. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Other intangible fixed assets	-	12.25% reducing balance
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During the year, there has been a change in the amortisation method from 17.5% reducing balance to 12.25% reducing balance.

The directors review the music market on an annual basis in conjunction with the performance of the back catalogue in determining the useful economic life and appropriate amortisation rate. The directors consider that the amortisation rate should be reduced based on their revised estimate of the longevity of the catalogue.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.6 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

WRATHCHILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2010

1. Accounting Policies (continued)

1.7 Provisions

Provisions are set up only where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably

2 Turnover

The whole of the turnover is attributable the exploitation of music copyrights

All turnover arose within the United Kingdom

3. Operating loss

The operating loss is stated after charging/(crediting)

	2010 £	2009 £
Amortisation - intangible fixed assets	614,873	1,064,715
Auditors' remuneration	500	4,500
Foreign exchange gains	-	(6,887)

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2009 - £Nil)

5. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK (21%) The differences are explained below

	2010 £	2009 £
Profit/loss on ordinary activities before tax	1,409,579	(35,959)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 - 21%)	296,012	(7,551)
Effects of:		
Group dividend income	(302,400)	-
Tax losses carried forward	6,388	7,551
Current tax charge for the year (see note above)	-	-

WRATHCHILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2010

5. Taxation (continued)

Factors that may affect future tax charges

The company has tax losses carried forward of £59,082 (2009 £28,661) to offset against future taxable trading profits. The directors have determined that the deferred tax asset arising on these losses of £12,407, calculated at 21%, should not be recognised as the timing of their utilisation is not certain.

6. Intangible fixed assets

	Other intangibles £
Cost	
At 1 February 2009 and 31 January 2010	6,348,610
Amortisation	
At 1 February 2009	1,329,240
Charge for the year	614,873
At 31 January 2010	1,944,113
Net book value	
At 31 January 2010	4,404,497
At 31 January 2009	5,019,370

The intangible fixed asset comprises the right to exploit certain catalogue product relating to the heavy metal band, Iron Maiden.

7. Fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 February 2009 and 31 January 2010	100

Subsidiary undertakings

The following are subsidiary undertakings of the company

Name	Class of shares	Holding
Transylvania Enterprises Limited	Ordinary	100%

WRATHCHILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2010

7. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2010 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Transylvania Enterprises Limited	1,005	(5,186)

8. Debtors

	2010 £	2009 £
Due after more than one year		
Amounts owed by group undertakings	1,384,000	-
Due within one year		
Trade debtors	34,876	-
Corporation tax repayable	1,448	-
VAT repayable	42,402	90,320
Other debtors	74,089	503,904
Prepayments and accrued income	361,147	224,190
	<u>1,897,962</u>	<u>818,414</u>

9. Creditors: Amounts falling due within one year

	2010 £	2009 £
Other loans	-	5,800,000
Trade creditors	2,082	2,092
Other creditors	519,858	221,289
Accruals and deferred income	70,883	46,733
	<u>592,823</u>	<u>6,070,114</u>

10. Creditors: Amounts falling due after more than one year

	2010 £	2009 £
Other loans	4,571,429	-

WRATHCHILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2010

11. Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

12. Reserves

	Profit and loss account £
At 1 February 2009	(28,662)
Profit for the year	1,409,579
At 31 January 2010	1,380,917

13. Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Opening shareholders' (deficit)/funds	(28,562)	7,397
Profit/(loss) for the year	1,409,579	(35,959)
Closing shareholders' funds/(deficit)	1,381,017	(28,562)

WRATHCHILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2010

14. Related party transactions

The directors of the company, Mr A Taylor and Mr R Smallwood are also directors of Iron Maiden Holdings Limited and Phantom Music Management Limited. They are also members of Iron Maiden LLP. Mr A Taylor is also a director of Duellist Holdings Limited.

At 31 January 2010, the company owed £505,735 (2009: £503,904) to Iron Maiden Holdings Limited.

During the year, the company was charged £273,815 (2009: £233,996) in respect of commissions and services provided by Phantom Music Management Limited. At 31 January 2010, the company owed £81,482 (2009: £41,325) to Phantom Music Management Limited.

During the year, Iron Maiden LLP charged the company £114,253 (2009: £117,650) in respect of an administration fee, £500,000 (2009: £nil) in respect of catalogue support, and £nil (2009: £450,970) in respect of management fees. At 31 January 2010, the company was owed £61,085 (2009: £221,266) by Iron Maiden LLP.

Included in other loans falling due in less than one year are balances owed to Iron Maiden LLP of £nil (2009: £4,971,429) and Phantom Music Management Limited of £nil (2009: £828,571). Included in other loans falling due in more than one year is a balance owed to Iron Maiden LLP of £4,571,429 (2009: £nil). No interest is payable on these loans and there are no fixed dates for repayment.

During the year, Duellist Holdings Limited repaid royalties previously received on behalf of Wrathchild Limited. At 31 January 2010, the company was owed £13,004 (2009: £nil) from Duellist Holdings Limited.

During the year, the company received a dividend in the sum of £1,440,000 (2009: £nil) from Transylvania Enterprises Limited, a wholly owned subsidiary of the company. The company also paid £56,000 as a contribution to tour support costs to Transylvania Enterprises Limited. At 31 January 2010, the company was owed £1,384,000 (2009: £nil) from Transylvania Enterprises Limited.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

15. Controlling party

The company was under the control of Mr S Harris during the current and prior period.