

# MOS Publishing Limited

## REPORT AND FINANCIAL STATEMENTS

31 December 2015



Company Registration No. 06525420

# MOS Publishing Limited

## DIRECTOR AND OFFICERS

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### DIRECTOR

L Presencer

### SECRETARY

R P Wattis

### COMPANY NUMBER

06525420

### REGISTERED OFFICE

103 Gaunt Street  
London  
SE1 6DP.

### BANKERS

Barclays Bank Plc  
Soho Square  
London  
W1D 3QR

### INDEPENDENT AUDITOR

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

# MOS Publishing Limited

## DIRECTOR'S REPORT

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The director submits his report and the financial statements of MOS Publishing Limited for the year ended 31 December 2015.

### PRINCIPAL ACTIVITIES

The principal activity of the company is the exploitation of publishing rights owned by the company.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

2015 saw the continued development of trading activities in the company. Initial revenues were generated from artists and tracks signed across both 2014 and 2015. Operating expenses incurred included personnel costs recharged by the parent company and other office overheads. Additional artists have been signed in 2016 with revenues expected to increase in line with the growing roster and continued focus on exploitation of the repertoire.

For full commentary, please see the strategic report included in the financial statements for the year ended 31 December 2015 of Ministry of Sound Group Ltd (Company Registration No. 3299668).

### PRINCIPAL RISKS AND UNCERTAINTIES

The board and senior management continually monitor the principal risks to the business, which are considered to be reduced sales, due to competition or insufficiently attractive content, or excessive expenditure on talent or marketing.

### KEY PERFORMANCE INDICATORS (KPI)

Given the straightforward nature of the business the company's director is of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

### DIVIDENDS

The director did not declare a dividend (2014: £Nil) during the year.

### DIRECTOR

The following director has held office during the year:

L Presencer

### DIRECTOR AND OFFICERS LIABILITY INSURANCE

The company maintains liability insurance covering the director and officers of the company.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The director who was in office on the date of approval of these financial statements has confirmed that, as far as he is aware, there is no relevant audit information of which the auditor is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditors.

### AUDITOR

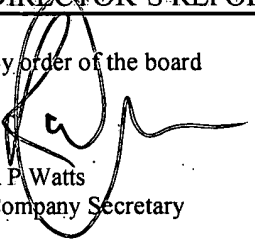
The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Chartered Accountants, has indicated its willingness to continue in office.

In accordance with section 414c(ii) of the Companies Act 2006, included in the Strategic Report is the Review of Business, principal risks and uncertainties and key performance indicators. This information would have been required by section 7 of the 'large and medium' sized Companies and Group (Accounts and Reports) Regulations 2008 to be contained within the Directors Report.

MOS Publishing Limited  
DIRECTOR'S REPORT

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By order of the board

  
R P Watts  
Company Secretary

1/9/2016.

# MOS Publishing Limited

## DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 those financial statements, the director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOS PUBLISHING LIMITED

We have audited the financial statements on pages 6 to 12. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 more fully explained 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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 FENTON (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

12/1/2016

# MOS Publishing Limited

## STATEMENT OF INCOME AND RETAINED EARNINGS for the year ended 31 December 2015

	Notes	2015 £	2014 £
TURNOVER	2	105,996	-
Cost of sales		(82,393)	-
GROSS PROFIT		23,603	-
Other operating expenses (net)	3	(221,823)	(122,642)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(198,220)	(122,642)
Taxation	6	-	-
LOSS FOR THE FINANCIAL YEAR		(198,220)	(122,642)
Retained earnings at 1 January		(122,642)	-
Retained earnings at 31 December		(320,862)	(122,642)

The operating loss for the year arises from the company's continuing operations.

The company's turnover and loss on ordinary activities before taxation were all derived from its principal activity which was carried out wholly in the United Kingdom.

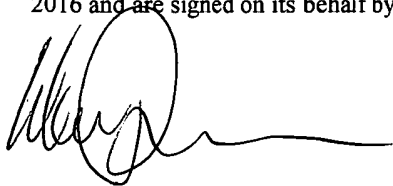
**MOS Publishing Limited**  
**STATEMENT OF FINANCIAL POSITION**  
**31 December 2015**

Company Registration No. 06525420

	<i>Notes</i>	2015 £	2014 £
<b>CURRENT ASSETS</b>			
Debtors	7	237,945	81,177
		<u>          </u>	<u>          </u>
<b>CREDITORS: Amounts falling due within one year</b>	8	(558,707)	(203,719)
		<u>          </u>	<u>          </u>
<b>NET CURRENT LIABILITIES</b>		(320,762)	(122,542)
		<u>          </u>	<u>          </u>
<b>NET LIABILITIES</b>		(320,762)	(122,542)
		<u>          </u>	<u>          </u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Profit and loss account		(320,862)	(122,642)
		<u>          </u>	<u>          </u>
<b>SHAREHOLDERS' DEFICIT</b>		(320,762)	(122,542)
		<u>          </u>	<u>          </u>

The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on  
**1 Sept** 2016 and are signed on its behalf by:

L Presencer  
 Director



# MOS Publishing Limited

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

MOS Publishing Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is 103 Gaunt Street, London SE1 6DP.

The Company's principal activities the nature of the Company's operations are disclosed in the Director's Report.

### BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

#### First time adoption of FRS 102

These company financial statements are the first company financial statements of MOS Publishing Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The company financial statements of MOS Publishing Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

There has been no effect as a result of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP.

### REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash flows' – Presentation of a statement of cash flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Ministry of Sound Group Limited.

### GOING CONCERN

The directors have reviewed the results of the group since the year end along with cash flow forecasts for the 12 months following the date of approval of the financial statements. Taking into account the group's strong cash reserves, low level of borrowing and the expected future results, the directors are satisfied that the group will continue as a going concern for the foreseeable future.

# MOS Publishing Limited

## ACCOUNTING POLICIES

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### TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of services to external customers in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

### TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### ADVANCES AND OTHER ARTIST COSTS

Advances to artists are held on the balance sheet until release, at which point they are expensed to profit and loss. Amounts held on the balance sheet for future releases are reviewed for impairment based upon expected future sales. Pre-release origination, marketing, and other expenditure is recorded as a prepayment until the time of release or the directors decide that the product will not be released at which point it is expensed in the profit and loss account. Unrecoupable advances are taken to the profit and loss account when paid. Recoupable advances are retained as a debtor and offset against future royalties.

# MOS Publishing Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

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### 1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Accrued income

Certain revenue streams, for example performance income, are on long reporting cycles with revenues earned during a financial year not being reported and paid through until the following period. There are no standard earnings rates for this type of income and levels can fluctuate significantly based on a number of variables. The income is accrued based upon past experience of how chart position equates to revenue received which has historically meant that actual earnings are not materially different from amounts accrued at year end.

#### Critical areas of judgement

#### Royalty advances and recoupable costs

Advances to artists are held on the balance sheet until release, at which point they are expensed to profit and loss. Amounts held on the balance sheet for future releases are reviewed for impairment based upon expected future sales. An off balance sheet royalties account is maintained and further royalties are only charged to profit and loss once an artist is recouped. Recoupable costs are charged to profit and loss at the time of release as management believe this is the most prudent approach as it can never be guaranteed that royalties due to an artist will exceed advances and recoupable costs paid. This eliminates the possibility of holding a potentially irrecoverable asset on the balance sheet.

### 2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss on ordinary activities before taxation were all derived from its principal activity which was carried out wholly in the United Kingdom.

3 OTHER OPERATING EXPENSES (NET)	2015	2014
	£	£
Administration expenses	221,823	122,642

### 4 PROFIT ON ORDINARY ACTIVITIES

Auditor's remuneration is borne by another group company.

### 5 EMPLOYEES AND DIRECTOR'S REMUNERATION

All staff are employed by Ministry of Sound Group Limited, the parent company.

**MOS Publishing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2015**

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**5 EMPLOYEES AND DIRECTOR'S REMUNERATION (continued)**

The director did not receive any emoluments from the company in the current year (2014: £Nil). The director is remunerated by other group companies. It is not practical to calculate the amount of remuneration that relates to services for this company.

No contributions were made on behalf of the director to a pension scheme.

<b>6 TAXATION</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>
Factors affecting tax charge for the year:		
Loss on ordinary activities before tax	(198,220)	(122,642)
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the average standard rate of UK corporation tax at 20.25% (2014: 21.49%)	(40,140)	(26,630)
Effects of:		
Expenses not deductible for tax purposes	465	-
Group relief not paid for	39,675	26,360
	<hr/>	<hr/>
Current tax charge for year	-	-
	<hr/>	<hr/>
<b>7 DEBTORS</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Due within one year:		
Prepayments and accrued income	237,845	81,077
Other debtors	100	100
	<hr/>	<hr/>
	237,945	81,177
	<hr/>	<hr/>
<b>8 CREDITORS: Amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts owed to group companies	491,619	203,719
Accruals and deferred income	67,088	-
	<hr/>	<hr/>
	558,707	203,719
	<hr/>	<hr/>
<b>9 SHARE CAPITAL</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Allotted, issued and fully paid:		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

# MOS Publishing Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

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### 10 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Ministry of Sound Group Limited, a company incorporated in Great Britain. Copies of the group financial statements of Ministry of Sound Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate parent undertaking is Nimbus Holdings Limited, a company registered in Jersey, and represents the largest group for which consolidated accounts are drawn up.

In the opinion of the director the company is ultimately controlled by the Michael Wigram Settlement registered in Jersey.

### 11 RELATED PARTY TRANSACTIONS

Included within the financial statements are royalties payable to Ministry of Sound Licensing Limited, a fellow group undertaking, totalling £10,600 (2014: £Nil). This amount is paid via its parent company Ministry of Sound Group Limited. At 31 December 2015, the amount due to Ministry of Sound Group Limited was £390,270 (2014: £122,642).

The company has taken advantage of the FRS 102 exemption from disclosures applicable to group undertakings where 100% of the voting rights are controlled within the group.