

**Registered number**  
**06852857**

**USM Copyrights Publishing Limited**

**Report and Financial Statements**

30 June 2012

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COMPANIES HOUSE

## **USM Copyrights Publishing Limited**

### **Company Information**

#### **Directors**

P Stack

K P Donovan

#### **Secretary**

C R Baynes

#### **Auditor**

Baker Tilly UK Audit LLP

12 Gleneagles Court

Brighton Road

Crawley

West Sussex

RH10 6AD

#### **Bankers**

Coutts & Co

440 Strand

London

WC2R 0QS

#### **Registered office**

3rd Floor, Preece House

Davigdor Road

Hove

East Sussex

BN3 1RE

#### **Registered number**

06852857

**Directors' Report**

The Directors present their annual report on the affairs of USM Copyrights Publishing Limited (the Company) together with the financial statements and auditor's report for the year ended 30 June 2012

**Principal activities**

The Company's principal activity is the ownership of copyrights in musical compositions

**Review of the business**

The Company's profit for the financial year was £312 (2011 - £310) The Directors consider the Company's key performance indicator to be operating profit Operating profit for the year was £391 (2011 - £391) The Directors are pleased with the performance of the business during the year

**Future developments**

The Company will continue to exploit its copyrights in conjunction with other members of the Union Square Music group

**Principal risks and uncertainties facing the business**

The market for physical format product is declining and this may exert downward pressure on royalty earnings The digital market is growing quickly from a small base and the Company is well positioned to benefit from this and other areas of copyright exploitation

**Dividends**

The Directors do not recommend payment of a dividend (2011 - £nil)

**Directors**

The Directors of USM Copyrights Publishing Limited who served during the year were as follows

P Stack  
K P Donovan

**Disclosure of information to auditors**

The Directors who were members of the Board at the time of approving the Directors' report are identified on page 1 Having made enquiries of fellow Directors and of management, each of these Directors confirms that

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of his report of which the Company's auditor is unaware, and
- each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information

This report was approved by the Board of Directors on 13 November 2012 and signed on its behalf by



Peter Stack  
Director

## **USM Copyrights Publishing Limited**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the annual 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 (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 judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper 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.

## USM Copyrights Publishing Limited

### Independent auditor's report to the member of USM Copyrights Publishing Limited

We have audited the financial statements on pages 5 to 10. 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).

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 Statement of Directors' Responsibilities, set out on page 3, 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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2011 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 matters 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.

#### Matters on which we are required to report by exception

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

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

*Baker Tilly UK Audit LLP*

Anthony Summers

(Senior Statutory Auditor)

for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor

Crawley

West Sussex

16/11/12

## **USM Copyrights Publishing Limited**

### **Profit and loss account for the year ended 30 June 2012**

	Notes	2012 £	2011 £
Turnover	2	2,000	2,000
Cost of sales		(1,609)	(1,608)
Gross profit		<u>391</u>	<u>392</u>
Administrative expenses		-	(1)
Operating profit	3	<u>391</u>	<u>391</u>
Profit on ordinary activities before taxation		<u>391</u>	<u>391</u>
Tax on profit on ordinary activities	4	(79)	(81)
Profit for the financial year		<u><u>312</u></u>	<u><u>310</u></u>

#### **Continuing operations**

All activities arise from continuing operations. There is no difference between the profit for the financial years shown above and their historical cost equivalents.

#### **Statement of total recognised gains and losses**

There are no recognised gains or losses other than the profit attributable to the shareholders of the Company of £312 for the year ended 30 June 2012 (2011 - £310) and accordingly a separate statement of total recognised gains and losses has not been presented.

**USM Copyrights Publishing Limited****Registered number****06852857****Balance sheet  
as at 30 June 2012**

	<b>Notes</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Fixed assets</b>			
Intangible assets	5	27,999	29,608
<b>Current assets</b>			
<b>Creditors: amounts falling due within one year</b>	6	(27,141)	(29,062)
<b>Net current liabilities</b>		<u>(27,141)</u>	<u>(29,062)</u>
<b>Net assets</b>		<u>858</u>	<u>546</u>
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Profit and loss account	8	857	545
<b>Shareholder's funds</b>	9	<u>858</u>	<u>546</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors and authorised for issue on 13 November 2012 and are signed on its behalf by



Peter Stack  
Director

## **USM Copyrights Publishing Limited**

### **Notes to the financial statements for the year ended 30 June 2012**

#### **1 Accounting policies**

##### ***Basis of preparation***

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

##### ***Going concern***

The financial statements have been prepared on a going concern basis as the Company has received confirmation from Union Square Music Holdings Limited, its ultimate parent undertaking, of its intention to continue to provide financial and other support to enable the Company 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 the financial statements on a going concern basis notwithstanding the net current liabilities at 30 June 2012

##### ***Revenue recognition***

Annual fees derived from the exploitation of rights in musical compositions by other group companies are agreed at the end of the financial year in accordance with the relevant licence agreements

##### ***Intangible assets***

Intangible assets are capitalised at cost. The intangible assets are amortised evenly over their deemed useful lives, a period of between one and twenty years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and when events or changes in circumstances indicate the carrying value may not be recoverable.

##### ***Deferred taxation***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, except that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### ***Statement of cash flows***

The Company is exempt from preparing a statement of cash flows under FRS1 (Revised) 'Cash Flow Statements', as it is a wholly owned subsidiary of Union Square Music Holdings Limited which prepares publicly available consolidated financial statements.

##### ***Foreign currencies***

Transactions in foreign currencies are translated into sterling at the rate ruling on the date the transaction occurred or at the contracted rate. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.



# **USM Copyrights Publishing Limited**

## **Notes to the financial statements for the year ended 30 June 2012**

<b>2 Analysis of turnover</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>

Turnover arises from the Company's principal activity in the following geographical markets

United Kingdom	<u>2,000</u>	<u>2,000</u>
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<b>3 Operating profit</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>

This is stated after charging

Amortisation of copyrights	<u>1,609</u>	<u>1,608</u>
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Auditor's remuneration is paid by Union Square Music Limited, another company in the group  
The Directors did not receive any emoluments or benefits in respect of services to the Company during the current or the preceding year

<b>4 Taxation</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>

### **Analysis of charge in period**

Current tax

UK corporation tax on profits of the period	79	81
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Tax on profit on ordinary activities	<u>79</u>	<u>81</u>
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### **Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>391</u>	<u>391</u>

Standard rate of corporation tax in the UK	20.00%	20.75%
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	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	79	81

Current tax charge for period	<u>79</u>	<u>81</u>
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# **USM Copyrights Publishing Limited**

## **Notes to the financial statements for the year ended 30 June 2012**

### **4 Taxation (continued)**

#### **Factors that may affect future tax charges**

From 1 April 2011 the small companies rate of taxation was reduced from 21% to 20%. No further changes to this rate had been substantively enacted by the balance sheet date

### **5 Intangible fixed assets**

£

#### **Copyrights**

#### **Cost**

At 1 July 2011

32,169

At 30 June 2012

32,169

#### **Amortisation**

At 1 July 2011

2,561

Provided during the year

1,609

At 30 June 2012

4,170

#### **Net book value**

At 30 June 2012

27,999

At 30 June 2011

29,608

### **6 Creditors: amounts falling due within one year**

2012

2011

£

£

Amounts owed to parent and fellow subsidiary undertakings

27,062

28,981

Corporation tax

79

81

27,141

29,062

### **7 Issued share capital**

Nominal  
value

2012  
Number

2012  
£

2011  
£

Allotted, called up and fully paid  
Ordinary shares

£1 each

1

1

1

## USM Copyrights Publishing Limited

### Notes to the financial statements for the year ended 30 June 2012

<b>8 Profit and loss account</b>	<b>2012</b>
	<b>£</b>
At 1 July 2011	545
Profit for the financial year	312
At 30 June 2012	<u>857</u>

<b>9 Reconciliation of movement in shareholder's funds</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
At 1 July	546	236
Profit for the financial year	312	310
At 30 June	<u>858</u>	<u>546</u>

#### 10 Contingent liabilities

The Company is a member of the Union Square Music Holdings Ltd VAT group. Each member of the VAT group is jointly and severally liable for the VAT. At 30 June 2012 the group balance was a net debtor of £89,221 including creditor balances of £6,590.

The Union Square Music group's bank loans and overdrafts are secured by a fixed and floating charge over all the group's assets and a fixed charge over all the group's intellectual property rights. As at the balance sheet date, the group's loan balance was £1,637,009 (2011 - £1,714,843).

#### 11 Related party transactions

The Company has taken the exemption allowed under FRS 8 not to disclose transactions with other members of the group headed by Union Square Music Holdings Limited.

#### 12 Ultimate parent undertaking and controlling parties

The Company's parent undertaking is Union Square Music Holdings Limited, which is the smallest and largest group of which the Company is a member. The parent company prepares consolidated financial statements available from Companies House.

The Company's joint ultimate controlling parties are P Stack, a Director of the Company, and The Caldan Trust, a discretionary trust of which K Donovan, a Director of the Company, is within the class of potential beneficiaries.