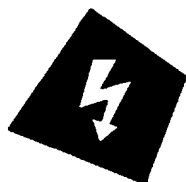
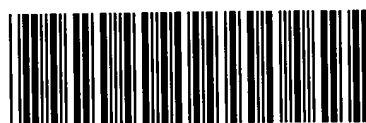


Registration number: 07875443 (England and Wales)

**TELEGRAM STUDIOS LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



**TELEGRAM**



\*L5ISO5UG\*

LD2

31/10/2016

#44

COMPANIES HOUSE

# **TELEGRAM STUDIOS LIMITED**

## **CONTENTS**

Company Information	1
Director's Report	2
Statement of Director's Responsibilities	3
Independent Auditors' Report	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 to 14

The following pages do not form part of the statutory financial statements:

Detailed Profit and Loss Account	15
----------------------------------	----

**TELEGRAM STUDIOS LIMITED**  
**COMPANY INFORMATION**

**Director** K Lunding

**Company secretary** London Registrars Ltd

**Registered office** Suite A  
Honduras Street  
London  
EC1Y 0TH

**Independent auditor** Harmer Slater Limited  
Statutory Auditor  
Salatin House  
19 Cedar Road  
Sutton  
Surrey  
SM2 5DA

**TELEGRAM STUDIOS LIMITED**  
**DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The director presents his report and the audited financial statements for the year ended 31 December 2015.

**Principal activity**

The principal activity of the company is that of a holding company.

**Directors of the company**

The directors who held office during the year and up to the date of approval of the financial statements were as follows:

H Wagenius (appointed 1 January 2015 and resigned 31 August 2015)

D P Näsholm (resigned 1 January 2015)

K Lunding

**Disclosure of information to the auditors**

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information (as defined by section 418 of the Companies Act 2006) and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and which he knows the auditors are unaware.

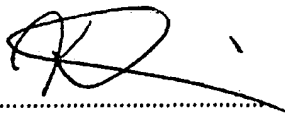
**Reappointment of auditors**

The auditors Harmer Slater Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Small company provisions**

The director has taken advantage of the small companies' exemptions provided by sections 414B and 415A of the Companies Act 2006 from the requirement to prepare a strategic report and in preparing the director's report on the grounds that the company is entitled to prepare its accounts for the year in accordance with the small companies regime.

Approved and authorised for issue by the director on 26 October 2016:



K Lunding  
Director

**TELEGRAM STUDIOS LIMITED**  
**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

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 these financial statements, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 MEMBER OF TELEGRAM STUDIOS LIMITED**

We have audited the financial statements of Telegram Studios Limited for the year ended 31 December 2015, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Director's Responsibilities (set out on page 3), the director is 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 Director's 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 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 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 applicable to smaller entities; 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

## TELEGRAM STUDIOS LIMITED

### (CONTINUED)

#### **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.
- 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 from the requirement to prepare a Strategic Report or in preparing the Director's Report.



.....  
Ransford Agyei-Boamah (Senior Statutory Auditor)  
For and on behalf of Harmer Slater Limited  
Statutory Auditors

Salatin House  
19 Cedar Road  
Sutton  
SM2 5DA

26 October 2016

**TELEGRAM STUDIOS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover		19,100	21,196
Administrative expenses		<u>(19,901)</u>	<u>(26,027)</u>
<b>Operating loss</b>	2	<u>(801)</u>	<u>(4,831)</u>
<b>Loss on ordinary activities before taxation</b>		(801)	(4,831)
Tax on profit or loss on ordinary activities	4	<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>		<u><u>(801)</u></u>	<u><u>(4,831)</u></u>

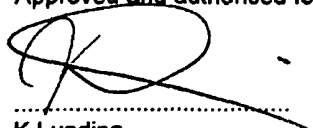


**TELEGRAM STUDIOS LIMITED**  
**(REGISTRATION NUMBER: 07875443)**  
**BALANCE SHEET AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible fixed assets	5	-	76,000
Investments	6	2,321,919	2,321,919
		<u>2,321,919</u>	<u>2,397,919</u>
<b>Current assets</b>			
Debtors	7	204,453	80,124
Cash at bank and in hand		225,233	1,828
		<u>429,686</u>	<u>81,952</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(13,411)</u>	<u>(101,236)</u>
<b>Net current assets/(liabilities)</b>		<u>416,275</u>	<u>(19,284)</u>
<b>Net assets</b>		<u>2,738,194</u>	<u>2,378,635</u>
<b>Capital and reserves</b>			
Called up share capital	9	140,964	122,946
Share premium account	10	2,676,415	2,334,073
Capital contribution	10	20,000	20,000
Profit and loss account	10	<u>(99,185)</u>	<u>(98,384)</u>
<b>Shareholders' funds</b>		<u>2,738,194</u>	<u>2,378,635</u>

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved and authorised for issue by the director on 26 October 2016

  
 K Lunding  
 Director

**TELEGRAM STUDIOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**1 ACCOUNTING POLICIES**

**Going concern**

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

A summary of the significant accounting policies which have been consistently applied in the current and the preceding period is set out below.

**Cash flow statement**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Financial Reporting Standards for Smaller Entities (effective January 2015).

**Exemption from preparing group accounts**

The financial statements contain information about Telegram Studios Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company qualifies as a parent company of a small group and has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and has not prepared consolidated financial statements.

**Turnover**

Turnover represents fees receivable from subsidiary undertakings in respect of management services provided and e-book publishing licenses granted, net of value added tax. Management fees is recognised as services are rendered and license fees is recognised when the company becomes entitled to the fees in accordance with the underlying license agreement.

**Intangible fixed assets**

Intangible fixed assets represent publishing rights for E-books. Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
E-books Rights	Straight line over 10 years

**Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**TELEGRAM STUDIOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
**(CONTINUED)**

**1 ACCOUNTING POLICIES - (CONTINUED)**

**Taxation**

Current tax represents the expected tax payable (or recoverable) on the taxable profits for the year using tax rates enacted or substantively enacted at the balance sheet date and taking into account any adjustments arising from prior years.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by Financial Reporting Standard No 19 "Deferred tax".

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted or substantially enacted at the balance sheet date.

**Foreign currency**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

**2 OPERATING LOSS**

Operating loss is stated after charging/(crediting):

	2015 £	2014 £
Auditor's remuneration - The audit of the company's annual accounts	1,700	1,700
Foreign currency (gains)/losses	(5,258)	(3,200)
(Profit)/loss on sale of intangible fixed assets	182	-
Amortisation	-	9,500
	<hr/>	<hr/>

**TELEGRAM STUDIOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
**(CONTINUED)**

**3 DIRECTORS' REMUNERATION**

No remuneration was paid to the directors during the year (2014: £nil).

**4 TAXATION**

**Tax on loss on ordinary activities**

	2015 £	2014 £
<b>Current tax</b>		
UK Corporation tax	-	-

**Factors affecting current tax charge for the year**

The effective rate of tax on loss on ordinary activities for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 20%).

The differences are reconciled below:

	2015 £	2014 £
Loss on ordinary activities before taxation	(801)	(4,831)
Corporation tax at standard rate	(160)	(966)
Expenses not deductible for tax purposes	270	-
Tax losses (utilised)/carried forward	(110)	966
Total current tax	-	-

**TELEGRAM STUDIOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
**(CONTINUED)**

**5 INTANGIBLE FIXED ASSETS**

	<b>E-books Rights £</b>
<b>Cost</b>	
At 1 January 2015	95,000
Disposals	<u>(95,000)</u>
At 31 December 2015	<u>-</u>
<b>Amortisation</b>	
At 1 January 2015	19,000
Eliminated on disposals	<u>(19,000)</u>
At 31 December 2015	<u>-</u>
<b>Net book value</b>	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u><u>76,000</u></u>

**6 INVESTMENTS HELD AS FIXED ASSETS**

	<b>2015 £</b>	<b>2014 £</b>
Shares in group undertakings	2,121,919	2,121,919
Loans to group undertaking	<u>200,000</u>	<u>200,000</u>
	<u><u>2,321,919</u></u>	<u><u>2,321,919</u></u>

**Shares in group undertakings**

	<b>Subsidiary undertakings £</b>
<b>Cost</b>	
At 1 January 2015	<u>2,121,919</u>
At 31 December 2015	<u>2,121,919</u>
<b>Net book value</b>	
At 31 December 2015	<u><u>2,121,919</u></u>
At 31 December 2014	<u><u>2,121,919</u></u>

**TELEGRAM STUDIOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
**(CONTINUED)**

**6 INVESTMENTS HELD AS FIXED ASSETS - (CONTINUED)**

**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<b>Subsidiary undertaking</b>	<b>Holding</b>	<b>% Held</b>	<b>Principal activity</b>
Telegram Studios AB	Ordinary	100%	Consultancy services
Telegram Bokforlag AB	Ordinary	100%	Publishing company
Telegram Music AB	Ordinary	100%	Music publishing and production
Telegram Digital Studio AB	Ordinary	100%	Advertising and market research; publishing
Telgram Musikforlag AB	Ordinary	67%	Music research
Kning Disk AB	Ordinary	100%	Production, publishing and records distribution
Dolores Records AB	Ordinary	100%	production, publishing and records distribution
<b>Associates</b>			
Telegram Rights	Ordinary	49%	Music publishing, artist management and rights management

The profit for the financial period of Telegram Studios AB was £55,747 and the aggregate amount of capital and reserves at the end of the period was £62,446.

The loss for the financial period of Telegram Bokforlag AB was £9,469 and the aggregate amount of capital and reserves at the end of the period was £41,121.

The loss for the financial period of Telegram Music AB was £228 and the aggregate amount of capital and reserves at the end of the period was £26,454.

The loss for the financial period of Telegram Digital Studio AB was £865 and the aggregate amount of capital and reserves at the end of the period was £17,377.

The profit for the financial period of Telgram Musikforlag AB was £5,449 and the aggregate amount of capital and reserves at the end of the period was £41,535.

**TELEGRAM STUDIOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
**(CONTINUED)**

The loss for the financial period of Kning Disk AB was £82 and the aggregate amount of capital and reserves at the end of the period was £19,735.

The loss for the financial period of Dolores Records AB was £674 and the aggregate amount of capital and reserves at the end of the period was £6,983.

The company's investment in all the above entities is held through its investment in Telegram Studios AB. All the above companies are registered in Sweden.

**7 DEBTORS**

	2015 £	2014 £
Amounts owed by subsidiary	184,445	61,613
Other debtors	81	362
Prepayments and accrued income	19,927	18,149
	<u>204,453</u>	<u>80,124</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade creditors	4,727	12,184
Amounts owed to subsidiary undertakings	2,363	85,009
Other creditors	2,321	43
Accruals	4,000	4,000
	<u>13,411</u>	<u>101,236</u>

**9 SHARE CAPITAL**

**Allotted, called up and fully paid shares**

	2015		2014	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>14,096,394</u>	<u>140,964</u>	<u>12,294,594</u>	<u>122,946</u>

**New shares allotted**

During the year 1,801,800 Ordinary shares having an aggregate nominal value of £18,018 were allotted for an aggregate consideration of £360,360.

**TELEGRAM STUDIOS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
**(CONTINUED)**

**10 RESERVES**

	Share premium account £	Capital contribution £	Profit and loss reserve £	Total £
At 1 January 2015	2,334,073	20,000	(98,384)	2,255,689
Loss for the year	-	-	(801)	(801)
Premium on issue of shares	<u>342,342</u>	<u>-</u>	<u>-</u>	<u>342,342</u>
At 31 December 2015	<u>2,676,415</u>	<u>20,000</u>	<u>(99,185)</u>	<u>2,597,230</u>

The capital contribution was made by the shareholders unconditionally and in consequence forms part of the company's distributable reserves as the company has no obligation to repay this to its shareholders.

**11 RELATED PARTY TRANSACTIONS**

Telegram Studios AB (TSAB) and Telegram Bokforlag AB (TBAB) are the company's subsidiary undertakings.

At 31 December 2015, the company owed TBAB £2,363 (SEK 29,416) (2014: £85,009 (SEK 1,029,416)) and TSAB owed the company £184,445 (2014: £61,613). In addition, TBAB owed the company (long term debt) of £200,000 at 31 December 2015 (2014: £200,000). The indebtedness is interest free, unsecured and repayable on demand.



**TELEGRAM STUDIOS LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015		2014
	£	£	£
<b>Turnover</b>			
Management fees		19,100	21,196
<b>Administrative expenses</b>			
Insurance	463		1,111
Sundry expenses	1,350		237
Accountancy fees	2,251		1,751
Auditor's remuneration - Other services	2,200		2,500
Auditor's remuneration - The audit of the company's annual accounts	1,700		1,700
Company secretarial	10,535		6,091
GXG annual fee	6,000		6,000
Bank charges	478		337
Foreign currency losses	(5,258)		(3,200)
Amortisation of e-books rights	-		9,500
(Profit)/loss on disposal of intangible fixed assets	182		-
		<u>(19,901)</u>	<u>(26,027)</u>
<b>Operating loss</b>		<u>(801)</u>	<u>(4,831)</u>
<b>Loss on ordinary activities before taxation</b>		<u><u>(801)</u></u>	<u><u>(4,831)</u></u>