

Company Registration No. 08413994

BMG VM Songs Limited

Report and Financial Statements

Period ended 31 December 2013

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BMG VM Songs Limited

Report and financial statements 2013

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Report and financial statements 2013

Officers and professional advisers

Directors

Mark Ranyard
Maximilian Dressendoerfer
John Dobinson
Hartwig Masuch
Alexi Cory-Smith

Registered Office

33 Wigmore Street
London
United Kingdom
W1U 1QX

Solicitors

Russell's Solicitors
1-4 Warwick Street
Regency House
London
W1B 5LJ

BMG VM Songs Limited

Report and financial statements 2013

Directors' report

The directors present their Directors' report and financial statements for the period ended 31 December 2013 for BMG VM Songs Limited (the "Company").

Business review

The Company was incorporated on 21 February 2013 and the Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the current period. It is anticipated that the Company will remain dormant for the foreseeable future. Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business or the Company.

The Company did not trade in the current period.

On 15 May 2013, Stage Three Music (Catalogues) Limited acquired 100% of the ordinary share capital of the Company. Stage Three Music (Catalogues) Limited is a wholly owned subsidiary of Bertelsmann SE & Co. KGaA, a company incorporated and trading in Germany.

Directors

The directors who held office during the period were as follows:

Mark Ranyard (appointed 15 May 2013)
Maximilian Dressendoerfer (appointed 15 May 2013)
John Dobinson (appointed 15 May 2013)
Hartwig Masuch (appointed 15 May 2013)
Alexi Cory-Smith (appointed 15 May 2013)
David Johnson (appointed 21 February 2013 & resigned 15 May 2013)
Francis Crimmins (appointed 21 February 2013 & resigned 15 May 2013)

Dividends

The directors do not recommend a dividend.

Directors and officers insurance

The Company maintains liability insurance for directors and officers of the Company.

Employees

The Company does not have any employees.

Political and charitable contributions

The Company made no political or charitable contributions or incurred any political expenditure during the current period.

BMG VM Songs Limited

Report and financial statements 2013

Directors' report (continued)

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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

Approved by the Board of Directors
and signed on behalf of the Board



M Ranyard
Director

22 September 2014

BMG VM Songs Limited

Statement of financial position

As at 31 December 2013

	Notes	2013 £
Current assets		
Other receivables	3	101
Total assets		<u>101</u>
Equity		
Called-up equity share capital	4	101
Total equity and liabilities		<u>101</u>

BMG VM Songs Limited, registered number 08413994, did not trade during the current period and has made neither profit nor loss, nor any other recognised gain or loss.

For the period ending 31 December 2013 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of BMG VM Songs, registered number 08413994 were approved by the Board of Directors on 22 September 2014.

Signed on behalf of the Board of Directors



M Ranyard
Director

BMG VM Songs Limited

Notes to the financial statements Period ended 31 December 2013

1. Accounting policies

BMG VM Songs (the "Company") is a company incorporated in the United Kingdom.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union ("EU").

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

IFRS –First time adoption

These financial statements have been prepared in accordance with the Companies Act 2006 applicable to companies reporting under International Financial Reporting Standards ("IFRS") as issued by the European Union ("EU").

These financial statements represent the first annual financial statements of the Company prepared in accordance with IFRS as issued by the EU. The Company adopted IFRS in accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards. The first date at which IFRS was applied was 1 January 2013.

The preparation of financial statements in conformity with IFRS which requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Taxation

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

Current tax is the expected tax payable on the taxable income for the period, 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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Trade and other receivables

Trade and other receivables at the statement of financial position date are stated at amortised cost which approximates to cost less impairment losses.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the company:

BMG VM Songs Limited

Notes to the financial statements Period ended 31 December 2013

1. Accounting policies (continued)

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

2. Directors' remuneration

The directors received no remuneration from the Company for services during the period.

3. Other receivables

	Year ended 31 December 2013 £
Other receivables	101

4. Share capital

	Year ended 31 December 2013 £
Authorised Share Capital:	
101 ordinary shares of £1 each	101
Allotted, called up and fully paid:	
	2013
	No £
Ordinary shares of £1 each	101 101

BMG VM Songs Limited

Notes to the financial statements Period ended 31 December 2013

5. Financial instruments

Exposure to credit, interest rate and currency risks arises in the normal course of the Company's business.

(a) Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the statement of financial position date if the effect is material.

Fair values

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the statement of financial position are as follows:

	2013 Carrying amount £	Fair value £
Other receivables	101	101
	<u>101</u>	<u>101</u>
Unrecognised gains/losses		-

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from group companies. This risk is mitigated as balances are spread across multiple parties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. There was no exposure to credit risk at the period end.

(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Liquidity is managed by group via the cash pooling facility.

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

Market risk - Foreign currency risk

The Company has no exposure to foreign currency risk.

Sensitivity analysis — Foreign currency risk

The Company did not issue any foreign currency invoices during the period and so exposure to foreign currency risk is minimal.

BMG VM Songs Limited

Notes to the financial statements Period ended 31 December 2013

5. Financial instruments (continued)

Market risk – interest rate risk

The Company's exposure to interest rate risk arises from the fluctuations in the rate of interest charged on cash and cash equivalent balances payable as impacted on by the changes in the Bank of England base rate. The Company utilises a group cash pooling facility, on which interest is charged at variable rates, based on the 3 month LIBOR market rate.

Sensitivity analysis – interest rate risk

A change of one percent in interest rates at the statement of financial position date would have increased the loss by the amounts shown below. This calculation assumes that the change occurred at the statement of financial position date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remains constant and considers the effect of financial instruments with variable interest rates.

At the period end it is estimated that an increase of one percentage rise in the 3 month LIBOR market rate would increase the Company's loss before taxation by approximately £nil (2012: £nil).

6. Related parties

Identity of related parties

The immediate parent company is Stage Three Music (Catalogues) Limited, a company incorporated in the United Kingdom. The Company's ultimate parent company and group is the international media company Bertelsmann SE & Co. KGaA.

The Company had related party relationships in the year with subsidiaries of Bertelsmann SE & Co. KGaA, and with its directors and executive officers.

Related party transactions

During the year the Company entered into the following related party transactions. The transactions were priced on an arm's length basis.

	Other receivable balance £
Stage Three Music (Catalogues) Limited	101

7. Ultimate parent company and controlling party

The immediate parent company is Stage Three Music (Catalogues) Limited, a company incorporated in the United Kingdom. The ultimate parent company is Bertelsmann SE & Co KGaA.

The results of the Company are included in the consolidated financial statements of Bertelsmann SE & Co KGaA which is registered at Carl-Bertelsmann-Strasse 270, 33311 Gütersloh, Germany. These consolidated accounts are publicly available.

No other group financial statements include the results of the Company.