

Company Registration No. 09288356

**AUDIO NETWORK MUSIC RIGHTS LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**  
**PAGES FOR FILING WITH REGISTRAR**

**AUDIO NETWORK MUSIC RIGHTS LTD**

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# AUDIO NETWORK MUSIC RIGHTS LTD

## BALANCE SHEET

AS AT 31 MARCH 2022

|   |       | Period ended<br>31 March 2022 |           | Period ended<br>27 December 2020 |           |
|---|-------|-------------------------------|-----------|----------------------------------|-----------|
|   | Notes | £                             | £         | £                                | £         |
| <b>Current assets</b>                                 |       |                               |           |                                  |           |
| Debtors   | 3     | 2,912,796                     |           | 2,291,893                        |           |
| Cash at bank and in hand                              |       | 1,135,825                     |           | 1,334,793                        |           |
|   |       |                               |           |                                  |           |
|   |       | 4,048,621                     |           | 3,626,686                        |           |
| <b>Creditors: amounts falling due within one year</b> | 4     | (2,621,147)                   |           | (2,393,940)                      |           |
|   |       |                               |           |                                  |           |
| <b>Net current assets</b>                             |       |                               | 1,427,474 |                                  | 1,232,746 |
|   |       |                               |           |                                  |           |
| <b>Capital and reserves</b>                           |       |                               |           |                                  |           |
| Called up share capital                               | 5     |                               | 100       |                                  | 100       |
| Share premium account                                 |       |                               | -         |                                  | (2)       |
| Profit and loss reserves                              |       |                               | 1,427,374 |                                  | 1,232,648 |
|   |       |                               |           |                                  |           |
| <b>Total equity</b>                                   |       |                               | 1,427,474 |                                  | 1,232,746 |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20 December 2022 and are signed on its behalf by:

Michael Deighan  
Director

Company Registration No. 09288356

# AUDIO NETWORK MUSIC RIGHTS LTD

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Company information**

Audio Network Music Rights Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.

#### **1.1 Accounting convention**

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The directors are confident that the company can continue as a going concern for the period of at least twelve months from the date of approval of these financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Therefore the directors have continued to adopt the going concern basis in preparing these financial statements.

#### **1.3 Reporting period**

The comparative figures relate to the twelve-month period to 27 December 2020. The current period relates to the fifteen month period ended 31 March 2022.

#### **1.4 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for music rights granted in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts.

Income from the grant of usage rights is recognised from the date of the grant unless the group has an ongoing obligation when subscriptions in advance are deferred and released to the profit and loss account over the subscription period.

Royalty income is recognised on an accruals basis based on estimated usage.

#### **1.5 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# AUDIO NETWORK MUSIC RIGHTS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### *Basic financial liabilities*

Basic financial liabilities, including creditors, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

## AUDIO NETWORK MUSIC RIGHTS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

#### 2 Employees

The company has no employees other than the directors, who did not receive any remuneration (2020: Nil).

#### 3 Debtors

31 March 2022 27 December 2020

| Amounts falling due within one year: | £                | £                |
|--------------------------------------|------------------|------------------|
| Corporation tax recoverable          | 27,019           | 30,197           |
| Other debtors                        | 306,320          | 157,035          |
| Accrued income                       | 2,579,457        | 2,104,661        |
|                                      | <u>2,912,796</u> | <u>2,291,893</u> |

#### 4 Creditors: amounts falling due within one year

31 March 2022 27 December 2020

|                                   | £                | £                |
|-----------------------------------|------------------|------------------|
| Trade creditors                   | -                | 8,700            |
| Amounts due to group undertakings | 2,611,210        | 2,296,225        |
| Corporation tax                   | -                | 69,876           |
| Other creditors                   | -                | 11,189           |
| Accruals                          | 9,937            | 7,950            |
|                                   | <u>2,621,147</u> | <u>2,393,940</u> |

#### 5 Called up share capital

31 March 2022 27 December 2020 31 March 2022 27 December 2020

| Ordinary share capital     | Number     | Number     | £          | £          |
|----------------------------|------------|------------|------------|------------|
| Issued and fully paid      |            |            |            |            |
| Ordinary shares of £1 each | 100        | 100        | 100        | 100        |
|                            | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

#### 6 Ultimate parent undertaking and controlling party

As at 27 December 2020 the company's ultimate parent undertaking and controlling party was Hasbro, Inc. On 29 June 2021, the company's immediate parent, Audio Network Limited was acquired by Sigma Holdco III, Inc., a wholly owned indirect subsidiary of Melody Holdings LP. As at the period end, the ultimate controlling party is Blackstone Group L.P.

## **AUDIO NETWORK MUSIC RIGHTS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 31 MARCH 2022***

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#### **7 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Gary Miller.

The auditor was HW Fisher LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.