

Company Registration No. 09288356

AUDIO NETWORK MUSIC RIGHTS LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 DECEMBER 2020
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AUDIO NETWORK MUSIC RIGHTS LIMITED

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AUDIO NETWORK MUSIC RIGHTS LIMITED

BALANCE SHEET

AS AT 27 DECEMBER 2020

		Period ended 27 December 2020		Period ended 31 December 2019	
	Notes	£	£	£	£
Current assets					
Debtors	3	2,291,893		2,010,517	
Cash at bank and in hand		1,334,793		1,529,680	
		3,626,686		3,540,197	
Creditors: amounts falling due within one year	4	(2,393,940)		(2,581,673)	
Net current assets			1,232,746		958,524
Capital and reserves					
Called up share capital	5		100		100
Share premium account			(2)		-
Profit and loss reserves	6		1,232,648		958,424
Total equity			1,232,746		958,524

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 26 August 2021 and are signed on its behalf by.

Michael Deighan
Director

The notes on pages 2 to 5 form part of these financial statements.

Company Registration No. 09288356

AUDIO NETWORK MUSIC RIGHTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 DECEMBER 2020

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 The Johnson Building, 77 Hatton Garden, 3rd Floor, London, England, EC1N 8JS.

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 continue to consider the effect of the Covid-19 outbreak and conclude that a prolonged outbreak has not caused a significant disruption to the company's business and 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.

1.3 Reporting period

The comparative figures relate to the nine-month period to 31 December 2019. The current period relates to the 12 month period ended 27 December 2020.

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 Cash and cash equivalents

Cash and cash equivalents are basic financial assets that include cash in hand.

1.6 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.

AUDIO NETWORK MUSIC RIGHTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1.7 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.

1.8 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.

AUDIO NETWORK MUSIC RIGHTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2020

1 Accounting policies (Continued)

1.9 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.

2 Employees

The company has no employees other than the directors, who did not receive any remuneration (2019: Nil).

3 Debtors

27 December 2020 31 December 2019

Amounts falling due within one year:	£	£
Corporation tax recoverable	30,197	-
Other debtors	157,035	131,784
Accrued income	2,104,661	1,878,733
	<u>2,291,893</u>	<u>2,010,517</u>

4 Creditors: amounts falling due within one year

27 December 2020 31 December 2019

	£	£
Trade creditors	8,700	244
Amounts due to group undertakings	2,296,225	2,456,609
Corporation tax	69,876	110,367
Other creditors	11,189	-
Accruals	7,950	14,453
	<u>2,393,940</u>	<u>2,581,673</u>

5 Called up share capital

27 December 2020 31 December 2019 27 December 2020 31 December 2019

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 Profit and loss reserves

Includes all current and prior period retained profit and losses.

AUDIO NETWORK MUSIC RIGHTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 DECEMBER 2020

7 Ultimate parent undertaking and controlling party

As at 27 December 2020 the company's ultimate parent undertaking and controlling party was Hasbro, Inc. Following the acquisition referred to in note 8 the ultimate beneficial owner of the company is The Blackstone Group.

8 Events after the reporting date

On 29 June 2021, eOne Music and the company's immediate parent Audio Network Limited were wholly acquired by the global investment company Blackstone, in an all-cash transaction valued at £385 million from Hasbro / Entertainment One Ltd.

9 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 Helen James.

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.