

REGISTERED NUMBER: 10636829 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018
FOR
AUDIO UK 2 LIMITED**

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AUDIO UK 2 LIMITED (REGISTERED NUMBER: 10636829)

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FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

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AUDIO UK 2 LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

DIRECTORS:

M Beetz
F De Mitry
S Epin
J Barton
Ms H Culleton
J D Gordon

SECRETARY:

F De Mitry

REGISTERED OFFICE:

Unit 10
Silverglade Business Park
Leatherhead Road
Chessington
Surrey
KT9 2QL

REGISTERED NUMBER:

10636829 (England and Wales)

AUDITORS:

KPMG LLP
Plym House
3 Longbridge Road
Plymouth
Devon
PL6 8LT

AUDIO UK 2 LIMITED (REGISTERED NUMBER: 10636829)

**STRATEGIC REPORT
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

The directors present their strategic report for the period 23 February 2017 to 31 March 2018.

PRINCIPAL ACTIVITY

The company is an intermediate holding company and part of the Audiotonix Group Limited group of companies. The company did not trade during the year.

REVIEW OF BUSINESS

The company was incorporated during the year and acquired the shares in Audio UK 3 Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk faced by the company is the valuation of investments. The investments ultimately relate to the trading subsidiaries of Audiotonix Group Limited, and how successful they are. These companies are ultimately managed by the directors and senior leadership team of Audiotonix Group Limited who have a strong track record in managing and mitigating risks, so far as practical, whilst maintaining and growing the profitability of trading subsidiaries.

ON BEHALF OF THE BOARD:



J D Gordon - Director

Date: 5 October 2018

**REPORT OF THE DIRECTORS
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

The directors present their report with the financial statements of the company for the period 23 February 2017 to 31 March 2018.

INCORPORATION

The company was incorporated on 23 February 2017.

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2018.

DIRECTORS

The directors who have held office during the period from 23 February 2017 to the date of this report are as follows:

M Beetz - appointed 23 February 2017
F De Mitry - appointed 23 February 2017
S Epin - appointed 23 February 2017

J Barton, Ms H Culleton and J D Gordon were appointed as directors after 31 March 2018 but prior to the date of this report.

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information which would otherwise be required to be contained in the Report of the Directors:

Review of the business; and
Indication of exposure to risk in relation to the valuation of investments

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDIO UK 2 LIMITED (REGISTERED NUMBER: 10636829)

**REPORT OF THE DIRECTORS
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

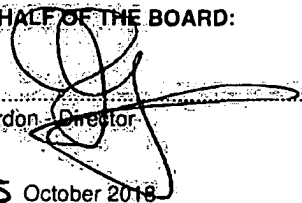
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


J D Gordon - Director

Date: 5 October 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AUDIO UK 2 LIMITED

Opinion

We have audited the financial statements of Audio UK 2 Limited (the 'company') for the period ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AUDIO UK 2 LIMITED

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

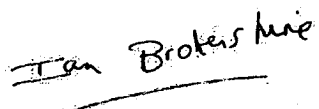
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.


Ian Brokenshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Plym House
3 Longbridge Road
Plymouth
Devon
PL6 8LT

Date: 9 October 2018

AUDIO UK 2 LIMITED (REGISTERED NUMBER: 10636829)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

	Notes	£'000
TURNOVER		<u> </u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	4	<u> </u>
Tax on profit	5	<u> </u>
PROFIT FOR THE FINANCIAL PERIOD		<u> </u>
OTHER COMPREHENSIVE INCOME		<u> </u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u> </u>

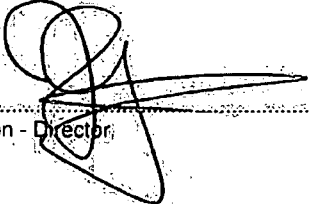
The notes form part of these financial statements

AUDIO UK 2 LIMITED (REGISTERED NUMBER: 10636829)

**BALANCE SHEET
31 MARCH 2018**

	Notes	£'000	£'000
FIXED ASSETS			
Investments	6		167,315
CURRENT ASSETS			
Debtors	7	28,001	
CREDITORS			
Amounts falling due within one year	8	<u>28,001</u>	
NET CURRENT LIABILITIES			<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>167,315</u>
CAPITAL AND RESERVES			
Called up share capital	10		<u>167,315</u>
SHAREHOLDERS' FUNDS			<u>167,315</u>

The financial statements were approved by the Board of Directors on **5** October 2018 and were signed on its behalf by:


J D Gordon - Director

The notes form part of these financial statements

AUDIO UK 2 LIMITED (REGISTERED NUMBER: 10636829)

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Changes in equity			
Issue of share capital	167,315		167,315
Balance at 31 March 2018	167,315		167,315

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018

1. STATUTORY INFORMATION

Audio UK 2 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

The company has applied Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

These financial statements are prepared on a going concern basis under the historical cost convention and are in accordance with applicable accounting standards.

The financial statements are presented in Sterling (£).

Preparation of consolidated financial statements

The financial statements contain information about Audio UK 2 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Audiotonix Group Limited, a company registered in England and Wales.

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Investments

Investments are recognised at cost less impairment. Where less than 100% of a business is acquired and put and call options are granted over the remaining interest, the put option is recognised and carried at the present value of the put option exercise price and a corresponding charge made to the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the period ended 31 March 2018.

Directors' remuneration

£

4. **PROFIT BEFORE TAXATION**

No directors' emoluments or staff costs were incurred directly by the company.

The remuneration of the auditor in the current period was borne by another group company.

5. **TAXATION**

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 March 2018, as the company did not trade.

6. **INVESTMENTS**

COST

Additions

Shares in
group
undertakings
£'000

167,315

At 31 March 2018

167,315

NET BOOK VALUE

At 31 March 2018

167,315

AUDIO UK 2 LIMITED (REGISTERED NUMBER: 10636829)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

6. INVESTMENTS - continued

Details of the company's subsidiaries owned directly and indirectly at 31 March 2018, all of which are registered in England and Wales unless otherwise stated, are as follows:

Subsidiary undertaking	Registered office	Country of incorporation	Principal activity	Type of shares held	Proportion held
Audio UK 3 Limited	b		Dormant company	Ordinary	100%
A6 Audio Bidco Limited	b		Management company	Ordinary	100%
Audiotonix Limited	b		Management company	Ordinary	100%
Console Midco Limited	b		Dormant holding company	Ordinary	100%
Console Bidco Limited	b		Management company	Ordinary	100%
Consol Lowco Limited	b		Dormant holding company	Ordinary	100%
Mixer Bidco Limited	a		Dormant holding company	Ordinary	100%
Calrec Audio Limited	a	United States of America	Audio	Ordinary	100%
Calrec America LLC	c		Dormant company	Ordinary	100%
Remix Topco Limited	a		Dormant holding company	Ordinary	100%
Remix Bidco Limited	a		Dormant holding company	Ordinary	100%
Allen & Heath Limited	a		Audio	Ordinary	100%
DiGiCo Global Limited	b		Dormant holding company	Ordinary	100%
DiGiCo Europe Limited	b		Dormant holding company	Ordinary	100%
DiGiCo (UK) Limited	b		Audio	Ordinary	100%
Stealth Digital Processing Limited	b		Dormant	Ordinary	100%
Red Snapper Digital Limited	b		Dormant	Ordinary	100%
DiGiCo Solutions Limited	b		Dormant	Ordinary	100%
DiGiGrid Limited	b		Dormant	Ordinary	100%
DiGiCo Limited	b		Dormant	Ordinary	100%
Xone Audio Limited	b		Dormant	Ordinary	100%
Group One Inc	d	United States of America	Audio	Ordinary	51%
Blue Sky International	d	United States of America	Dormant	Ordinary	50%
Solid State Logic Holdings Ltd	e		Holding	Ordinary	100%
Red Lion 49 Ltd	e		Audio	Ordinary	100%
Solid State Logic Inc	f	United States of America	Audio	Ordinary	100%
Solid State Logic SARL	g	France	Audio	Ordinary	100%
Solid State Logic Limited	e		Dormant	Ordinary	100%

Registered office addresses:-

- a) Kernick Industrial Estate, Penryn, Cornwall, TR10 9LU
- b) Unit 10 Silverglade Business Park, Leatherhead Road, Chessington, Surrey, KT9 2QL
- c) 26330 Diamond Place, Units 120 & 130, Santa Clarita, California 91350, USA
- d) 70 Sea Lane, Farmingdale, NY 22735, USA
- e) 25 Spring Hill Road, Begbroke, Oxford OX5 1RU
- f) 545 8th Avenue, Suite 2110, New York, NY 10018, USA
- g) 7 Bis rue la Victoire, 93150 - Le Blanc Mesnil, France

AUDIO UK 2 LIMITED (REGISTERED NUMBER: 10636829)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 23 FEBRUARY 2017 TO 31 MARCH 2018**

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Amounts owed by group undertakings

£'000
28,001

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Amounts owed to group undertakings

£'000
28,001

9. SECURED DEBTS

Audio UK 2 Limited and its subsidiaries have provided a cross guarantee supported by legal charges over their assets in respect of bank loans totalling £171,676,792.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:
Number: Class:

Nominal
value:
0.01

16,731,513,408 Ordinary

£'000
167,315

11. RESERVES

**Retained
earnings
£'000**

Profit for the period

At 31 March 2018

12. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under the terms of FRS 101 from disclosing related party transactions with entities that are wholly owned by Audiotonix Group Limited and form part of the Audiotonix Group Limited group provided these are included in the consolidated group accounts.

13. ULTIMATE CONTROLLING PARTY

During the year the company was a subsidiary of Astorg VI Luxembourg Special LP, which is the ultimate parent company and ultimate controlling party incorporated in Luxembourg. Astorg VI Luxembourg Special LP registered address is Astorg AAdet Management sarl, 2F Rue Albert Borschette, L-1246 Luxembourg, Grand-Duchy of Luxembourg.

The largest group in which the results of the company were consolidated was that headed up by Astorg VI Luxembourg LP, incorporated in Luxembourg. The smallest group in which they were consolidated was that headed by Audiotonix Group Limited, incorporated in the UK, which is also the company's immediate parent company.

Audiotonix Group Limited produces group accounts. Copies of these accounts can be obtained from Unit 10, Silverglade Business Park, Leatherhead Road, Chessington, KT9 2QL.