

REGISTERED NUMBER 06278494 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 29 APRIL 2012 TO 27 APRIL 2013
FOR
Music & Media Solutions Limited

TUESDAY



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for the period 29 April 2012 to 27 April 2013

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Music & Media Solutions Limited

COMPANY INFORMATION

for the period 29 April 2012 to 27 April 2013

DIRECTORS

D James
R Bett
G Ezard
K McShannon

REGISTERED OFFICE

59 - 65 Worship Street
London
EC2A 2DU

REGISTERED NUMBER

06278494 (England and Wales)

AUDITORS

BDO LLP
55 Baker Street
London, United Kingdom
W1U 7EU

BANKERS

Lloyds Banking Group plc
25 Gresham Street
London
EC2V 7HN

Music & Media Solutions Limited (Registered number 06278494)

REPORT OF THE DIRECTORS
for the period 29 April 2012 to 27 April 2013

The directors present their report with the financial statements of the company for the period 29 April 2012 to 27 April 2013. The comparative period is from 1 May 2011 to 28 April 2012.

During the year, the MAMA & Company Limited group, of which this company is a member, was sold by HMV Group plc to Juno Newco Limited and as a result there has been a change in the ultimate controlling party of the company.

CESSATION OF TRADING

The company ceased trading on 27 April 2013. Further information on how this decision to cease to trade has affected the financial statements can be found in note 1.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of arranging sponsorship for the benefit of group companies.

REVIEW OF BUSINESS

The loss for the period ended 27 April 2013 after taxation amounted to £nil (2012: loss of £nil).

The results for the period and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends have been proposed for the period ended 27 April 2013 (2012: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 29 April 2012 to the date of this report.

D James
R Bett

Other changes in directors holding office are as follows:

S Fox - resigned 3 September 2012
T Moore - appointed 3 September 2012 - resigned 3 December 2012
G Ezard - appointed 25 March 2013
K McShannon - appointed 25 March 2013

FINANCIAL INSTRUMENTS

The company does not actively use financial instruments as part of its financial risk management. The nature of its financial instruments means that they are subject to price or liquidity risk.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 elected to prepare the financial statements in accordance with International Financial Reporting Standards 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and in consequence, these financial statements have not been prepared on that basis.

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.

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.

Music & Media Solutions Limited (Registered number 06278494)

REPORT OF THE DIRECTORS

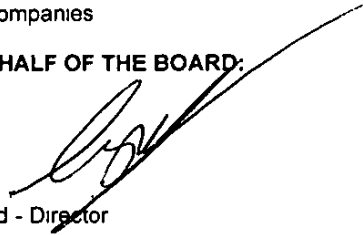
for the period 29 April 2012 to 27 April 2013

AUDITORS

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD:



G Ezard - Director

Date

17/1/14

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MUSIC & MEDIA SOLUTIONS LIMITED**

We have audited the financial statements of Music & Media Solutions Limited for the period ended 27 April 2013 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

As described in note 1, the accounts have not been prepared on the going concern basis.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 27 April 2013 and of its result for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

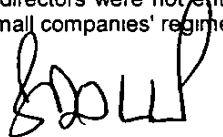
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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, or
- the directors were not entitled to prepare the financial statements and the Report of the Directors in accordance with the small companies' regime.


Matthew White (Senior Statutory Auditor)
for and on behalf of BDO LLP
55 Baker Street
London, United Kingdom

Date

17 January 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Music & Media Solutions Limited (Registered number. 06278494)

STATEMENT OF COMPREHENSIVE INCOME
for the period 29 April 2012 to 27 April 2013

		Period 29 4 12 to 27 4 13 £	Period 1 5 11 to 28 4 12 £
	Notes		
DISCONTINUED OPERATIONS			
Revenue	2	1,025,365	1,291,036
Cost of sales		<u>(1,025,365)</u>	<u>(1,291,036)</u>
GROSS PROFIT		<u>-</u>	<u>-</u>
PROFIT BEFORE INCOME TAX		-	-
Income tax	4	<u>-</u>	<u>-</u>
PROFIT FOR THE PERIOD		-	-
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>-</u>	<u>-</u>

The notes form part of these financial statements

Music & Media Solutions Limited (Registered number 06278494)

STATEMENT OF FINANCIAL POSITION

27 April 2013

	Notes	2013 £	2012 £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	5	<u>9,034</u>	<u>158,641</u>
TOTAL ASSETS		<u>9,034</u>	<u>158,641</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	6	<u>100</u>	<u>100</u>
TOTAL EQUITY		<u>100</u>	<u>100</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	3,702	129,528
Financial liabilities - borrowings			
Bank overdrafts	9	<u>5,232</u>	<u>29,013</u>
		<u>8,934</u>	<u>158,541</u>
TOTAL LIABILITIES		<u>8,934</u>	<u>158,541</u>
TOTAL EQUITY AND LIABILITIES		<u>9,034</u>	<u>158,641</u>

The financial statements were approved and authorised for issue by the Board of Directors on 7/1/14 and were signed on its behalf by

G Ezard - Director

The notes form part of these financial statements

Music & Media Solutions Limited (Registered number 06278494)

STATEMENT OF CHANGES IN EQUITY
for the period 29 April 2012 to 27 April 2013

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2011	100	-	100
Changes in equity	-	-	-
Balance at 28 April 2012	100	-	100
Changes in equity	-	-	-
Balance at 27 April 2013	100	-	100

The notes form part of these financial statements

Music & Media Solutions Limited (Registered number 06278494)

STATEMENT OF CASH FLOWS

for the period 29 April 2012 to 27 April 2013

		Period 29 4 12 to 27 4 13 £	Period 1 5 11 to 28 4 12 £
Cash flows from operating activities			
Cash generated from operations	1	<u>23,781</u>	<u>61,357</u>
Net cash from operating activities		<u>23,781</u>	<u>61,357</u>
		<hr/>	<hr/>
Increase in cash and cash equivalents		23,781	61,357
Cash and cash equivalents at beginning of period	2	<u>(29,013)</u>	<u>(90,370)</u>
Cash and cash equivalents at end of period	2	<u>(5,232)</u>	<u>(29,013)</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the period 29 April 2012 to 27 April 2013

1 RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Period 29 4 12 to 27 4 13 £	Period 1 5 11 to 28 4 12 £
Profit before income tax	-	-
Movement in intergroup balances	-	89,226
	-	89,226
Decrease/(increase) in trade and other receivables	149,607	(157,397)
(Decrease)/increase in trade and other payables	(125,826)	129,528
Cash generated from operations	23,781	61,357

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Period ended 27 April 2013

	27 4 13 £	29 4 12 £
Bank overdrafts	(5,232)	(29,013)

Period ended 28 April 2012

	28 4 12 £	1 5 11 £
Cash and cash equivalents	-	188
Bank overdrafts	(29,013)	(90,558)
	(29,013)	(90,370)

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the period 29 April 2012 to 27 April 2013

1 **ACCOUNTING POLICIES**

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

As described in the Report of the Directors on page 2, the company ceased to trade during the period. As a result, the Directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. There have been no effects on the measurement and recognition of the company's assets and liabilities by preparing the financial statements on a basis other than that of a going concern.

Changes in accounting policies

a) New standards, interpretations and amendments effective from 29 April 2012

There have been no new standards, interpretations and amendments effective for the first time from 29 April 2012 that have had a material effect on the financial statements.

b) New standards, interpretations and amendments not yet effective

None of the other new standards, interpretations and amendments which are effective for periods beginning after 28 April 2013 and which have not been adopted early, are expected to have a material effect on the company's future financial statements.

Significant Accounting Policies

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

Revenue recognition

Revenue represents amounts receivable, stated net of value added tax, in respect of sponsorship deals, which is recognised over the duration of the contract.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 29 April 2012 to 27 April 2013

1 ACCOUNTING POLICIES - continued

Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement

Financial instruments are recognised on the statement of financial position at fair value when the Company becomes a party to the contractual provisions of the instrument

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity or available-for-sale

Fair value through profit or loss The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss

Loans and receivables These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in the payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position

Financial liabilities

The Company classifies its financial liabilities into the following category

Other financial liabilities Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method

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. The charge for taxation is based on the profit or loss for the year and takes into account deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Dividends

Final equity dividends are recognised when approved by shareholders through a special resolution

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 29 April 2012 to 27 April 2013

2 REVENUE

Revenue for the period ended 27 April 2013 and the period ended 28 April 2012 arises solely from the provision of services

3 EMPLOYEES AND DIRECTORS

There were no staff costs for the period ended 27 April 2013 nor for the period ended 28 April 2012

	Period 29 4 12 to 27 4 13 £	Period 1 5 11 to 28 4 12 £
Directors' remuneration	-	-

All employee costs are borne by the parent company, Channelfly Limited

4 INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the period ended 27 April 2013 nor for the period ended 28 April 2012

5 TRADE AND OTHER RECEIVABLES

	2013 £	2012 £
Current		
Trade receivables	3,702	152,835
Other receivables	<u>5,332</u>	<u>5,806</u>
	<u>9,034</u>	<u>158,641</u>

6 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2013 £	2012 £
100	Ordinary		<u>100</u>	<u>100</u>

7 RESERVES

The nature and purpose of each of the reserves within shareholders' equity is explained below

Retained earnings - the cumulative gains and losses recognised in the statement of comprehensive income together with other items which are required to be taken direct to equity

8 TRADE AND OTHER PAYABLES

	2013 £	2012 £
Current		
Other payables	<u>3,702</u>	<u>129,528</u>

9 FINANCIAL LIABILITIES - BORROWINGS

	2013 £	2012 £
Current		
Bank overdrafts	<u>5,232</u>	<u>29,013</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 29 April 2012 to 27 April 2013

9 FINANCIAL LIABILITIES - BORROWINGS - continued

Terms and debt repayment schedule

	1 year or less £
Bank overdrafts	<u>5,232</u>

10 FINANCIAL INSTRUMENTS

Company policies are to minimise the risks associated with credit and liquidity within the business. The Company have put in place a number of policies to manage these financial risks. These include:

- Regular review of debtors with management to agree procedures in respect of individual overdue debts,
- Placing surplus funds on deposit accounts and in foreign currency accounts,
- Preparation of updated cash flows to reflect actual and forecast cash requirements on a regular basis, and
- Where any material future liabilities in a foreign currency arise the Directors consider the appropriateness of putting currency hedging instruments in place

At the reporting date the Company had sterling denominated current account balances of nil (2012: nil) and overdraft balances of £5,232 (2012: £29,013). The Company is part of a group facility, where any surplus funds are held on deposit.

It is the Directors' opinion that the carrying value of all financial assets of the Company approximates their fair value. IFRS 7 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Level 1: Quoted prices (adjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, with directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable data (that is unobservable inputs)

The Company does not hold any assets or liabilities recorded at fair value. It is the Directors' opinion that the carrying value of all financial assets and liabilities of the Company approximate their fair value due to the short term nature of the balances.

The Company has trade payables which are generated in the normal course of business.

There have been no substantive changes in the Company's exposure to financial instruments risk, its objectives, policies and procedures for managing those risks or the methods used to measure them from previous periods.

The categories of financial instruments as presented in the statement of financial position are set out as follows:

27 April 2013

	Loans and receivables £	Financial liabilities measured at amortised cost £
Trade receivables	3,702	-
Other receivables	5,332	-
Current borrowings	-	5,232
Other payables	<u>-</u>	<u>3,702</u>
	<u>9,034</u>	<u>8,934</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 29 April 2012 to 27 April 2013

10 FINANCIAL INSTRUMENTS - continued

28 April 2012

	Loans and receivables £	Financial liabilities measured at amortised cost £
Trade receivables	152,835	-
Other receivables	5,806	-
Cash and cash equivalents	-	-
Current borrowings	-	29,013
Other payables	-	129,528
	<u>158,641</u>	<u>158,641</u>

The Company considers that the following risks are relevant to an understanding of its business

Interest rate risk

The Company is principally funded by equity. The Company is part of a group offset facility where any excess funds are placed on deposit. The Company earns interest from its parent company based on its cash position. Given the level of overdraft and the interest rate interest rate risk is considered to be low for the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to its debtors. The amounts presented in the statement of financial position are net of allowances for doubtful debts. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The maximum amount of credit risk for each asset class is the carrying amount in the statement of financial position.

As at 27 April 2013 trade receivables of £3,702 (2012 £29,372) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2013 £	2012 £
Over 30 days	-	9,000
Over 60 days	3,702	18,000
Over 90 days	-	305
Over 120 days	-	2,067
	<u>3,702</u>	<u>29,372</u>

Currency risk

The majority of the Company's transactions are in sterling hence the Company has a negligible exposure to currency risk.

Liquidity risk

The Company has an overdraft, however it is part of a group bank facility, whereby the Company can borrow funds based on the group position. The Company therefore considers it has a low exposure to liquidity risk.

Capital management

The capital of the Company is the total equity on the statement of financial position. The objective of the Company's capital management is to grow its business and deliver improving returns for its shareholders. The management of the Company's capital is performed by the Directors, taking into account economic conditions and strategic requirements. The Company may make dividend payments to shareholders, return capital to shareholders or issue new shares. There are no externally imposed capital requirements.

11 ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is Channelfly Limited, its ultimate parent undertaking and controlling party is Juno Newco Limited. Juno Newco Limited is the smallest and the largest group into which these accounts are incorporated. Copies of the group accounts, which include the Company, may be requested from 59 - 65 Worship Street, London, EC2A 2DU.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 29 April 2012 to 27 April 2013

12 CONTINGENT LIABILITIES

At 27 April 2013 the company was party to a group facility over which the group's bankers have a cross guarantee. The amount outstanding on this facility at 27 April 2013 was Nil (2012 Nil).

At 27 April 2013 Hilco UK Limited had a charge over assets of the Juno Newco Limited group, of which this company is a member. The charge is in place as deferred consideration of £3,500,000 is due to Hilco UK Limited, who bought HMV Group plc out of administration, on the sale of the MAMA & Company Limited group from HMV Group plc to Juno Newco Limited. The deferred consideration was paid to Hilco UK Limited on 11 December 2013.

At 27 April 2013 LDC (Managers) Limited, LDC Parallel I LP and LDC I LP also had a guarantee over the assets of the subsidiaries of Juno Newco Limited. This guarantee is in place as security over loan notes issued by Juno Newco Limited during the year and is secondary to the charge held by Hilco UK Limited. The balance of loan notes outstanding at 27 April 2013 was £11,844,946.

13 RELATED PARTY DISCLOSURES

The Directors are considered to be the key management personnel. Details of the directors' remuneration is given in note 3. There were no related party transactions which took place during the prior or current year.

Intergroup transactions that have been settled in cash and have no profit and loss effect have been excluded. This includes sponsorship invoiced on behalf of other group companies.