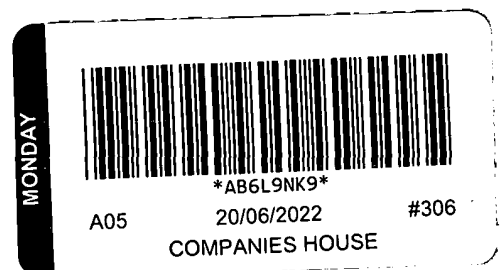


CONCORD UK GROUP SERVICES LIMITED
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



CONCORD UK GROUP SERVICES LIMITED

DIRECTORS AND PROFESSIONAL ADVISERS

DIRECTORS

K Hoskins
J Minch
V Pascucci
R Valentine

COMPANY SECRETARY

K Hoskins

REGISTERED OFFICE

Aldwych House
71-91 Aldwych
London
WC2B 4HN

BANKERS

Barclays Bank Plc
Soho Square
London
W1D 3QR

AUDITOR

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

CONCORD UK GROUP SERVICES LIMITED

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CONCORD UK GROUP SERVICES LIMITED

STRATEGIC REPORT

The directors present the strategic report, directors' report and audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The company's principal activity remained unchanged throughout the year and continues to be a group management service company. The directors do not anticipate any change to this activity in the foreseeable future.

REVIEW OF THE BUSINESS

The consolidated financial results of the company, set out in the Profit & Loss Account on page 9, show a profit after tax of £391,000 (2019: loss after tax of £39,000).

No charitable or political donations were made in the year (2019: £nil).

The company's Consolidated Balance Sheet at 31 December 2020 showed net current liabilities of £202,000 (2019: £801,000). The directors of Alchemy Copyrights, LLC, the company's ultimate US group parent company, have confirmed that it will continue to provide support to the company to enable the company to meet the company's liabilities as they fall due for at least twelve months from the date of signing the financial statements.

The company is a group service company and therefore does not have any specific key performance indicators. The directors review the company's performance in aggregate with other group affiliated companies.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is predominantly dependent on the financial success of the Concord Copyrights Limited, Boosey & Hawkes Holdings Limited and Concord Theatricals Ltd groups of companies, to whom the company supplies management services and who are its main source of income.

These fellow subsidiaries' revenues are substantially made up of royalties arising from popular and classical music composers signed to its fellow subsidiaries and performances of musical stage productions licensed by Concord Theatricals Ltd. The company is therefore very dependent on Concord Copyrights Ltd, Boosey & Hawkes Holdings Ltd and Concord Theatricals Ltd's music catalogues continuing to be highly valued.

Additionally, the company and its fellow subsidiaries are potentially at risk from further downturn in the economies in which they respectively operate.

The board monitors all risks to which the company and its subsidiaries may be subject, with a view to minimising any adverse effects, as well as identifying any business opportunities that may present themselves.

COVID-19 AND GOING CONCERN IMPLICATIONS

The global outbreak of COVID-19, a highly contagious and virulent coronavirus strain, during the first quarter of 2020 led to government restrictions on live performance. Music businesses, especially those that rely on live performance revenues, have been adversely impacted by these restrictions. As the company provides management services to related group music companies, the company is itself impacted by the performance of these related group companies. To mitigate, management enacted business continuity plans and employees worked from home from Friday, 13 March 2020. Management continues to monitor the local and global situation closely.

At 31 December 2020, the group recognised a profit after tax of £391,000 (2019: loss after tax of £39,000), and had sufficient cash balances of £1,369,000 (2019: £228,000) to meet its on-going obligations, and despite having net current liabilities of £202,000 (2019: net current liabilities £801,000), the financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons.

The uncertainty regarding the future business impact of the coronavirus pandemic has been assessed by the board. The directors have prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements, based on a cautious return to pre-COVID-19 levels of trading.

CONCORD UK GROUP SERVICES LIMITED

STRATEGIC REPORT

COVID-19 AND GOING CONCERN IMPLICATIONS continued

Additionally, current forecasts are dependent on the Concord Music Group continuing to support the ongoing operations of the company and group. In this respect Alchemy Copyrights, LLC, the ultimate parent company, has indicated its intention to continue to make available such funds and other necessary support as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company and group will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'K Hoskins', with a horizontal line extending to the right.

K Hoskins
Director

16 June 2022

CONCORD UK GROUP SERVICES LIMITED

DIRECTORS' REPORT

DIVIDENDS

No interim dividends were declared in the year (2019: £nil).

The directors do not recommend the payment of a final dividend (2019: £nil) in respect of the 200 B Ordinary Shares in issue.

DIRECTORS

The directors, who served throughout the period, except as noted, were as follows:

K Hoskins
J Minch
V Pascucci
R Valentine
J Wisely - resigned 9 March 2021

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD



K Hoskins
Director

Aldwych House
71-91 Aldwych
London
WC2B 4HN

16 June 2022

CONCORD UK GROUP SERVICES LIMITED

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 group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company 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 group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCORD UK GROUP SERVICES LIMITED

Opinion

We have audited the financial statements of Concord UK Group Services Limited ("the company") for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cashflows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 group 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCORD UK GROUP SERVICES LIMITED continued

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is earned from other associated companies and is based on expenses incurred on behalf of the associated companies recharged at a set mark-up, and is therefore non-complex and non-judgmental.

We did not identify any additional fraud risks.

In order to address the identified risk of fraud over management override of controls we performed the following procedures:

- Using analytical procedures to identify any usual or unexpected relationships; and
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unexpected accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory and liquidity and certain aspects of company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCORD UK GROUP SERVICES LIMITED continued

procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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 group and parent 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 group or the parent 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCORD UK
GROUP SERVICES LIMITED continued**

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.

Richard Johnson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
United Kingdom
E14 5GL

16 June 2022

CONCORD UK GROUP SERVICES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Turnover	2	8,908	11,350
Administrative expenses		(8,701)	(11,220)
Operating profit		207	130
Other interest receivable and similar income	5	115	-
Other interest payable and similar expense	6	(5)	(23)
Profit before taxation	7/8	317	107
Tax on profit on ordinary activities	9	74	(146)
Profit/(loss) for the financial year		391	(39)
OTHER COMPREHENSIVE INCOME			
Foreign exchange differences on translation of foreign operations		-	(3)
Other comprehensive income for the year net of tax		-	(3)
Total Comprehensive Income		391	(42)

All income and losses relate to continuing operations.

The notes on pages 15 to 24 form part of the financial statements

CONCORD UK GROUP SERVICES LIMITED
CONSOLIDATED BALANCE SHEET
At 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Tangible assets	10	1,101	1,309
		1,101	1,309
Current assets			
Debtors: amounts falling due within one year <i>(including £1,922,000 (2019: £1,915,000) due after one year)</i>	12	2,858	2,896
Cash at bank and in hand		1,369	228
		4,227	3,124
Current liabilities			
Creditors amounts falling due within one year	13	(4,429)	(3,925)
Net current liabilities		(202)	(801)
Total assets less current liabilities		899	508
Net assets		899	508
Capital and reserves			
Called up share capital	14	-	-
Profit & loss account		899	508
Shareholder's funds		899	508

The notes on pages 15 to 24 form part of the financial statements.

The financial statements were approved and authorised for issue by the board of directors on 16 June 2022

Signed on behalf of the board of directors



K Hoskins
Director

CONCORD UK GROUP SERVICES LIMITED
COMPANY BALANCE SHEET
At 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Tangible assets	10	1,026	1,232
Investments	11	22	22
		<hr/>	<hr/>
		1,048	1,254
		<hr/>	<hr/>
Current assets			
Debtors: amounts falling due within one year (including £1,648,000 (2019: £1,584,000) due after one year)	12	2,180	2,549
Cash at bank and in hand		1,258	157
		<hr/>	<hr/>
		3,438	2,706
		<hr/>	<hr/>
Current liabilities			
Creditors: amounts falling due within one year	13	(3,632)	(3,488)
		<hr/>	<hr/>
Net current liabilities		(194)	(782)
		<hr/>	<hr/>
Total assets less current liabilities		854	472
		<hr/>	<hr/>
Net assets		854	472
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	-	-
Profit & loss account		854	472
		<hr/>	<hr/>
Shareholder's funds		854	472
		<hr/>	<hr/>

The notes on pages 15 to 24 form part of the financial statements.

The financial statements were approved and authorised for issue by the board of directors on 16 June 2022

Signed on behalf of the board of directors



K Hoskins
Director

CONCORD UK GROUP SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2020

	Share capital	Profit & loss account	Total Shareholder's funds
	£000	£000	£000
At 1 January 2019	-	550	550
Loss for the year	-	(39)	(39)
Foreign exchange gain on translation of foreign company subsidiary	-	(3)	(3)
At 31 December 2019	-	508	508
	Share capital	Profit & loss account	Total Shareholder's funds
	£000	£000	£000
At 1 January 2020	-	508	508
Profit for the year	-	391	391
Foreign exchange gain on translation of foreign company subsidiary	-	-	-
At 31 December 2020	-	899	899

The notes on pages 15 to 24 form part of the financial statements.

CONCORD UK GROUP SERVICES LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2020

	Share capital	Profit & loss account	Total Shareholder's funds
	£000	£000	£000
At 1 January 2019	-	526	526
Loss for the year	-	(54)	(54)
At 31 December 2019	-	472	472
	Share capital	Profit & loss account	Total Shareholder's funds
	£000	£000	£000
At 1 January 2020	-	472	472
Loss for the year	-	382	382
At 31 December 2020	-	854	854

The notes on pages 15 to 24 form part of the financial statements.

CONCORD UK GROUP SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		£000	£000
Cash flows from operating activities			
Profit/(loss) after taxation		391	(39)
<i>Adjustments for:</i>			
Depreciation	10	597	604
Other interest receivable and similar income	5	(115)	-
Other interest payable and similar expense	6	5	23
Taxation	9	(74)	146
		804	734
Decrease/(increase) in trade and other debtors		43	(939)
Increase in trade and other creditors		671	808
Group relief received/(paid)		20	(64)
Foreign taxes paid		(8)	-
Net cash flow from operating activities		1,530	539
Cash flow from investing activities			
Acquisition of tangible fixed assets	10	(389)	(641)
Net cash flow from investing activities		(389)	(641)
Net decrease in cash and cash equivalents		1,141	(102)
Cash and cash equivalents at 1 January 2020		228	330
Cash and cash equivalents at 31 December 2020		1,369	228

The notes on pages 15 to 24 form part of the financial statements.

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Concord UK Group Services Ltd is a private company incorporated, domiciled and registered in England, United Kingdom. The registered address is Aldwych house, 71-91 Aldwych, London WC2B 4HN.

The principal accounting policies are summarised below. These policies have been applied consistently throughout the current period.

1.1 Fundamental accounting concept

The accounts have been prepared on the going concern basis and in accordance with applicable accounting standards. The company has sufficient credit to meet its debts as and when they fall due.

1.2 Basis of preparation

General considerations:

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and accounting standards in the United Kingdom. As the company is a wholly owned subsidiary of a United States parent company and possesses no subsidiary companies, the company does not prepare consolidated financial statements. Consequently, these financial statements present information about the company, as there is no group to consider.

Notwithstanding net current liabilities of £202,000 (2019: £801,000) as at 31 December 2020, a profit for the period then ended of £391,000 (2019: loss after tax of £39,000) and operating cash inflows for the year of £1,530,000 (2019: £539,000), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts in order to assess going concern that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Alchemy Copyrights, LLC liabilities as they fall due during the going concern assessment period.

The forecasts are dependent on Alchemy Copyrights, LLC continuing to support the ongoing operations of the Company. Alchemy Copyrights, LLC has indicated its intention to continue to make available such funds and other necessary support as are needed by the company, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

COVID-19 considerations:

The global outbreak of COVID-19, a highly contagious and virulent coronavirus strain, which during the first quarter of 2020 led to government restrictions on live performance. Music businesses, especially those that rely on live performance revenues, were adversely impacted by these restrictions. To mitigate, management enacted business continuity plans and employees worked from home from Friday 13 March 2020. Management continues to monitor the local and global situation closely.

The uncertainty regarding the future business impact of the coronavirus pandemic has been assessed by the board. The directors have prepared cash flow forecasts for a period of at least twelve months from the date of approval of these financial statements, based on a cautious return to pre-COVID-19 levels of trading.

1.3 Basis of accounting

The Group and Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP), Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking is Alchemy Copyrights LLC, an institution registered in The United States of America.

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES continued

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Key Management Personnel compensation.
- No separate parent company Cash Flow Statement with the related notes is included.
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company has adopted the reduced disclosure framework of FRS 102 in the current financial statements.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

1.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2020. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

1.5 Accounting estimates and judgements

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The current accounts do not contain any such accounting estimates and judgements.

1.6 Turnover

Turnover represents management services (net of VAT) billed to affiliate undertakings.

1.7 Foreign currency translations

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences are included in the profit and loss account.

1.8 Interest on preference shares

Interest on the preference shares in issue is accrued, but not declared until paid.

1.9 Current taxation

Current taxation or group relief is accounted for at the prevailing corporation tax rates.

1.10 Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less provisions. Provisions for any impairment in value are charged to the profit and loss account.

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES continued

1.11 Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off their costs, less their estimated residual value, evenly over their expected useful lives, which are considered to be:

Leasehold improvements	the period of the lease
Computer hardware and software	three years
Fixtures and fittings	three to ten years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

1.12 Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the life of the lease.

1.13 Pension costs

The company is a member of the defined contribution section of the Boosey & Hawkes Pension Scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.14 Related party transactions

Under Financial Reporting Standard 102 (paragraph 33.1A) the company is exempt from disclosure of related party transactions and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

2. TURNOVER

The company engages in only one class of business, that of providing management services to the group of companies of which it is a member. Turnover is derived as follows:

	2020 £000	2019 £000
United Kingdom	6,122	9,082
Germany	2,786	2,268
	<hr/>	<hr/>
	8,908	11,350
	<hr/>	<hr/>

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

3. STAFF COSTS

	2020	2019
	£000	£000
Wages and salaries	5,857	5,441
Social security costs	741	654
Other pension costs		
- contributions to defined contribution scheme	298	217
	6,896	6,312
	2020	2019
	Number	Number
Average number employed in the year:		
Administration	95	93
Marketing	14	30
	109	123

As a group service company, the costs and headcount disclosed above refer to all UK group employees paid through the company. During the year, four affiliated companies set up separate PAYE schemes and employees were transferred with effect from 1 July 2020. The last remaining affiliate set up a PAYE scheme with effect from 1 April 2021.

4. DIRECTORS' EMOLUMENTS

	2020	2019
	£000	£000
Aggregate emoluments in respect of qualifying services	618	804
Defined Contribution pension costs	10	10
Emoluments in respect of the highest paid director	335	325

One director (2019: one) was a member of the Boosey & Hawkes Pension Scheme, run by an affiliate undertaking. The highest paid director received no defined contribution pension benefits and was already receiving a defined benefit pension entitlement from the Boosey & Hawkes Pension Scheme.

Despite being employed by the company, the 2 directors had group-wide responsibilities, and therefore it is estimated that their cost in relation to the activities for the company amounted to £42,000 (2019: £54,000) of their total remuneration of £628,000 (2019: £814,000).

There are no key personnel beyond the board.

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £000	2019 £000
Foreign exchange gains on current liabilities	115	-
	<u>115</u>	<u>-</u>

6. OTHER INTEREST PAYABLE AND SIMILAR EXPENSE

	2020 £000	2019 £000
Intercompany Interest payable	5	-
Foreign exchange loss on current liabilities	-	23
	<u>5</u>	<u>23</u>

7. PROFIT BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2020 £000	2019 £000
Depreciation (note 10)	597	604
Hire of other assets - operating leases (note 16)	852	493
	<u>1,449</u>	<u>1,097</u>

8. AUDITORS' REMUNERATION

The audit fee for the current year was borne by another group company. It is estimated that the part of the group audit fee of £155,400 (2019: £105,000) allocated to the audit of the company's accounts amounted to £11,971 (2019: £8,280).

9. TAXATION

(a) Total tax charge, based recognised in the Profit & Loss Account:

	2020 £000	2019 £000
<i>Current tax:</i>		
Corporation tax	-	-
Group relief	61	141
Foreign taxes	5	5
<i>Prior years:</i>		
Corporation tax credit	-	(21)
Group relief (credit)/charge	(140)	21
	<u>(74)</u>	<u>146</u>
Total current year	(74)	146
Total tax (credited)/charged to the Profit & Loss Account	<u>(74)</u>	<u>146</u>

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

9. TAXATION continued

(b) Reconciliation of effective tax rate:

	2020	2019
	£000	£000
Profit/(loss) for year	391	(39)
Total tax (credit)/charge	(74)	146
	<hr/>	<hr/>
Profit for the year excluding tax	317	107
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19.00% (2019: 19.00%)	60	20
- expenses not deductible for tax purposes	6	14
- depreciation in excess of capital allowances	8	111
- Effect arising from un-booked deferred tax	(11)	-
- effect of higher foreign tax rates	3	1
- prior year group relief payable	(140)	21
- prior year corporation tax credit	-	(21)
	<hr/>	<hr/>
Current tax (credit)/charge for the year	(74)	146
	<hr/>	<hr/>

(c) Factors that may affect future tax charges:

No deferred tax asset has been recognised in respect of the following timing differences, as their future utilisation is uncertain. The un-booked asset and prior year booked liability have been calculated at an effective deferred tax rate of 19.0% (2019: 19.0%).

	2020	2019
	£000	£000
Capital allowances	146	290
	<hr/>	<hr/>

Reductions in the UK corporation tax rate beyond 19% (effective from 1 April 2017) to 18% (effective 1 April 2020) and 17% (effective 1 April 2020) have recently been reversed. The un-booked deferred tax asset has therefore been valued at 19%.

(d) Tax rate changes:

On the March 2021 budget it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge or credit.

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. TANGIBLE FIXED ASSETS

GROUP	Leasehold improve- ments £000	Computer hardware & software £000	Fixtures & fittings £000	Total £000
Cost				
At 1 January 2020	1,245	2,459	209	3,913
Additions	-	367	22	389
Foreign exchange	-	-	(1)	(1)
At 31 December 2020	1,245	2,826	230	4,301
Accumulated depreciation				
At 1 January 2020	548	1,900	156	2,604
Provided during the year	238	334	25	597
Foreign exchange	-	-	(1)	(1)
At 31 December 2020	786	2,234	180	3,200
Net book value				
At 31 December 2019	697	559	53	1,309
Net book value				
At 31 December 2020	459	592	50	1,101
COMPANY				
Cost				
At 1 January 2020	1,236	2,382	42	3,660
Additions	-	355	-	355
At 31 December 2020	1,236	2,737	42	4,015
Accumulated depreciation				
At 1 January 2020	544	1,842	42	2,428
Provided during the year	238	323	-	561
At 31 December 2020	782	2,165	42	2,989
Net book value				
At 31 December 2019	692	540	-	1,232
Net book value				
At 31 December 2020	454	572	-	1,026

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. INVESTMENTS

£000

Cost and net book value

At 1 January 2020 and 31 December 2020

22

The shares held directly by the company in trading subsidiary companies at 31 December 2020 are as follows, neither of which required an audit:-

GROUP and COMPANY	Country	Principal activity	Percentage held
Boosey & Hawkes Verwaltungs-GmbH	Germany	service company	100%
<i>Boosey & Hawkes Verwaltungs-GmbH is incorporated under the laws of Germany, with registered number HRB118755 and registered address of Oranienstrasse 164, 10969, Berlin, Germany.</i>			
Imagem Services BV	The Netherlands	dissolved	100%
<i>At the date of signing Imagem Services BV was dissolved and removed from the Dutch Register.</i>			

12. DEBTORS: amounts falling due within one year

	2020	2019
	£000	£000
Group		
Trade debtors	372	39
Amounts owed by related party undertakings	1,504	1,915
Amounts owed by fellow group undertakings	-	-
Amounts accrued from related party undertakings	418	-
Foreign corporation tax	5	-
Other debtors	18	424
Prepayments	541	518
	2,858	2,896
Amounts due within one year	936	981
Amounts due after more than one year	1,922	1,915
	2,858	2,896
Company		
Trade debtors	40	39
Amounts owed by related party undertakings	1,230	1,584
Amounts accrued from related party undertaking	418	-
Other debtors	19	408
Prepayments	473	518
	2,180	2,549
Amounts due within one year	532	965
Amounts due after more than one year	1,648	1,584
	2,180	2,549

Although contractually on 28 days' notice, practicably amounts owed by group undertakings are expected to be recovered after more than one year and have been disclosed as such accordingly, for both group and company.

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

13. CREDITORS: amounts falling due within one year

	2020	2019
	£000	£000
Group		
Trade creditors	145	603
Amounts owed to related party undertakings	1,782	801
Taxation and social security	301	550
Foreign corporation tax	8	1
Group relief payable	61	120
Accruals	2,119	1,146
Other creditors	13	704
	4,429	3,925
Company		
Trade creditors	-	511
Amounts owed to related party undertakings	21	35
Amounts owed to group undertakings	1,370	775
Taxation and social security	248	475
Group relief payable	61	120
Accruals	1,895	868
Other creditors	37	704
	3,632	3,488

14. COMPANY CALLED UP SHARE CAPITAL

	Authorised		Issued and fully paid	
	Number	£	Number	£
At 31 December 2019:				
5% Preference shares of £0.10 each	800	80	800	80
B Ordinary shares of £0.10 each	200	20	200	20
		100		100
At 31 December 2020:				
5% Preference shares of £0.10 each	800	80	800	80
B Ordinary shares of £0.10 each	200	20	200	20
		100		100

CONCORD UK GROUP SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2020

15. ANALYSIS OF CHANGES IN CONSOLIDATED NET DEBT

There is no other debt other than the cash held.

16. CONSOLIDATED COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2020	2020	2019	2019
	Land and	Other	Land and	Other
	buildings		buildings	
	£000	£000	£000	£000
Less than one year	941	-	133	-
Between one and five years	3,329	17	-	17
More than five years	-	-	5,953	-
	4,270	17	6,086	17
Annual charge	848	4	489	4

17. CONTINGENT LIABILITY

On 2 November 2017, the company granted a floating charge over all of the property or undertaking of the company to Wilmington Trust (London) Ltd as London Security Agent in connection with debt drawn down by Alchemy LLC, the company's ultimate parent undertaking. It is not possible to quantify the likely financial exposure of this floating charge.

On 14 August 2020, the company granted a supplemental floating charge as part of a refinancing exercise by the ultimate parent Alchemy Copyrights LLC. The refinancing amounted to the taking out by Alchemy Copyrights LLC of a new \$600,000,000 facility from J P Morgan Chase Bank NA and all group and company assets were pledged as security through a supplemental security document, registered at Companies House. The new facility was used to repay existing debt and provide additional investment funds.

18. ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The company is a 100% indirect subsidiary undertaking of Alchemy Copyrights LLC. The largest group in which the results of the company and its group are consolidated is that headed by Alchemy Copyrights LLC, a corporation incorporated in the state of Delaware, USA and located at 5750 Wilshire Boulevard, Los Angeles, CA 90036, USA. The consolidated accounts of this corporation are not publicly available, consequently, Concord UK Group Services Ltd presents consolidated financial statements, as the parent of the smallest group, which include its results.

19. SUBSEQUENT EVENTS

There are no subsequent events to disclose.