

COMPANY REGISTRATION NUMBER: 00270228

Peermusic (UK) Limited - Group
Financial Statements
31 December 2016



BOWKER ORFORD
Chartered accountant & statutory auditor
15-19 Cavendish Place
London
W1G 0DD

Peermusic (UK) Limited - Group

Financial Statements

Year ended 31 December 2016

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Peermusic (UK) Limited - Group

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the group for the year ended 31 December 2016.

Directors

The directors who served the company during the year were as follows:

N. R. Elderton
R. I. Peer II
K. C. Wiggins
E.W. Peer
K. M. Spanberger (Retired 18 September 2016)

Directors' responsibilities statement

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Peermusic (UK) Limited - Group

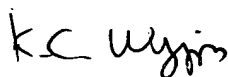
Directors' Report *(continued)*

Year ended 31 December 2016

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 26 May 2017 and signed on behalf of the board by:



K. C. Wiggins
Company Secretary

Registered office:
23/24 George Street
Richmond upon Thames
Surrey
England
TW9 1HY

Peermusic (UK) Limited - Group

Independent Auditor's Report to the Members of Peermusic (UK) Limited - Group

Year ended 31 December 2016

We have audited the financial statements of Peermusic (UK) Limited - Group for the year ended 31 December 2016 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 year for which the financial statements are prepared is consistent with the financial statements.

Peermusic (UK) Limited - Group

Independent Auditor's Report to the Members of Peermusic (UK) Limited - Group *(continued)*

Year ended 31 December 2016

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 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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Rashpal Parmar (Senior Statutory Auditor)

For and on behalf of
Bowker Orford
Chartered accountant & statutory auditor

15-19 Cavendish Place
London
W1G 0DD

26 May 2017

Peermusic (UK) Limited - Group
Consolidated Statement of Income and Retained Earnings
Year ended 31 December 2016

| | Note | 2016 £ | 2015 £ |
|---|------|---------------------------|---------------------------|
| Turnover | | 4,857,585 | 4,080,667 |
| Cost of sales | | <u>3,816,885</u> | <u>3,159,637</u> |
| Gross profit | | 1,040,700 | 921,030 |
| Distribution costs | | 69,196 | 11,855 |
| Administrative expenses | | 1,213,955 | 1,271,738 |
| Other operating income | | <u>215,304</u> | <u>245,181</u> |
| Operating loss | | (27,147) | (117,382) |
| Income from interests in associates | 5 | (657) | (107) |
| Other interest receivable and similar income | | — | 5 |
| Interest payable and similar expenses | | <u>58,396</u> | <u>56,561</u> |
| Loss before taxation | 6 | (86,200) | (174,045) |
| Tax on loss | | — | — |
| Loss for the financial year and total comprehensive income | | <u>(86,200)</u> | <u>(174,045)</u> |
| Retained losses at the start of the year | | <u>(3,468,549)</u> | <u>(3,294,504)</u> |
| Retained losses at the end of the year | | <u>(3,554,749)</u> | <u>(3,468,549)</u> |

All the activities of the group are from continuing operations.

The notes on pages 9 to 17 form part of these financial statements.

Peermusic (UK) Limited - Group
Company Statement of Income and Retained Earnings
Year ended 31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|---------------------------|---------------------------|
| Loss for the financial year and total comprehensive income | | (142,969) | (236,051) |
| Retained losses at the start of the year | | (3,263,164) | (3,027,113) |
| Retained losses at the end of the year | | <u>(3,406,133)</u> | <u>(3,263,164)</u> |

The notes on pages 9 to 17 form part of these financial statements.

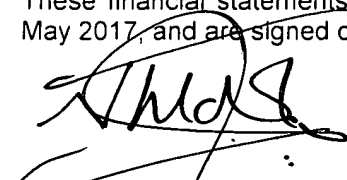
Peermusic (UK) Limited - Group
Consolidated Statement of Financial Position

31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 7 | 247,019 | 274,752 |
| Tangible assets | 8 | 4,800 | 14,531 |
| Investments | 9 | 4,093 | 4,750 |
| | | <u>255,912</u> | <u>294,033</u> |
| Current assets | | | |
| Debtors | 10 | 379,341 | 430,381 |
| Cash at bank and in hand | | 409,279 | — |
| | | <u>788,620</u> | <u>430,381</u> |
| Creditors: amounts falling due within one year | 11 | <u>3,967,691</u> | <u>3,406,373</u> |
| Net current liabilities | | <u>3,179,071</u> | <u>2,975,992</u> |
| Total assets less current liabilities | | <u>(2,923,159)</u> | <u>(2,681,959)</u> |
| Creditors: amounts falling due after more than one year | 12 | <u>305,000</u> | <u>460,000</u> |
| Net liabilities | | <u>(3,228,159)</u> | <u>(3,141,959)</u> |
| Capital and reserves | | | |
| Called up share capital | | 300 | 300 |
| Other reserves | | 326,290 | 326,290 |
| Profit and loss account | | (3,554,749) | (3,468,549) |
| Members deficit | | <u>(3,228,159)</u> | <u>(3,141,959)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 26 May 2017, and are signed on behalf of the board by:


N. R. Elderton
Director

Company registration number: 00270228

The notes on pages 9 to 17 form part of these financial statements.

Peermusic (UK) Limited - Group
Company Statement of Financial Position

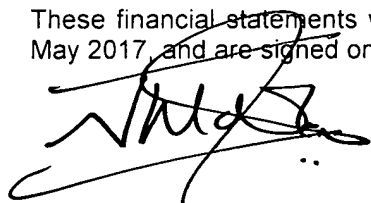
31 December 2016

| | Note | 2016 £ | 2015 £ |
|--|------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 7 | 247,018 | 274,751 |
| Tangible assets | 8 | 4,800 | 14,531 |
| Investments | 9 | 200 | 200 |
| | | <u>252,018</u> | <u>289,482</u> |
| Current assets | | | |
| Debtors | 10 | 379,784 | 430,824 |
| Cash at bank and in hand | | 409,280 | — |
| | | <u>789,064</u> | <u>430,824</u> |
| Creditors: amounts falling due within one year | 11 | <u>4,141,915</u> | <u>3,523,170</u> |
| Net current liabilities | | <u>3,352,851</u> | <u>3,092,346</u> |
| Total assets less current liabilities | | <u>(3,100,833)</u> | <u>(2,802,864)</u> |
| Creditors: amounts falling due after more than one year | 12 | <u>305,000</u> | <u>460,000</u> |
| Net liabilities | | <u>(3,405,833)</u> | <u>(3,262,864)</u> |
| Capital and reserves | | | |
| Called up share capital | | 300 | 300 |
| Profit and loss account | | (3,406,133) | (3,263,164) |
| Members deficit | | <u>(3,405,833)</u> | <u>(3,262,864)</u> |

The loss for the financial year of the parent company was £142,969 (2015: £236,051).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 26 May 2017, and are signed on behalf of the board by:



N. R. Elderton
Director

Company registration number: 00270228

The notes on pages 9 to 17 form part of these financial statements.

Peermusic (UK) Limited - Group

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 23/24 George Street, Richmond upon Thames, Surrey, TW9 1HY, England.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

Judgements and key sources of estimation uncertainty

The copyrights owned by the Group as at 1st January 2002 have been nominally valued at £2 (Company £1). The market value of the copyrights, which is material in the opinion of the directors, cannot be readily ascertained reliably. Material acquisitions of copyright made since the 1st January 2002 have been capitalised. These are being amortised in the proportion that income received therefrom in the year bears to the total expected income over the lifetime of the asset.

Peermusic (UK) Limited - Group

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Revenue recognition

Turnover is recognised when royalties and fees are received from the users of musical copyright and sales of printed music and recordings. Turnover is stated net of Value Added Tax.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

| | | |
|------------|---|----------------------|
| Copyrights | - | £1 nominal valuation |
|------------|---|----------------------|

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Peermusic (UK) Limited - Group
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | |
|---|------------------------------|
| Improvement to short leasehold property | - Over the life of the lease |
| Plant & Equipment | - 25% straight line |

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Peermusic (UK) Limited - Group

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 11 (2015: 12).

Peermusic (UK) Limited - Group
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

6. Profit before taxation

Loss before taxation is stated after charging:

| | 2016 | 2015 |
|--|----------------------|----------------------|
| | £ | £ |
| Amortisation of intangible assets | 93,415 | 86,957 |
| Depreciation of tangible assets | 9,731 | 8,357 |
| Fees payable for the audit of the financial statements | <u>17,960</u> | <u>17,960</u> |

7. Intangible assets

| Group | Copyrights |
|----------------------------|-------------------------|
| | £ |
| Cost | |
| At 1 January 2016 | 997,249 |
| Additions | 65,682 |
| At 31 December 2016 | <u>1,062,931</u> |
| Amortisation | |
| At 1 January 2016 | 722,497 |
| Charge for the year | 93,415 |
| At 31 December 2016 | <u>815,912</u> |
| Carrying amount | |
| At 31 December 2016 | <u>247,019</u> |
| At 31 December 2015 | <u>274,752</u> |
| Company | Copyrights |
| | £ |
| Cost | |
| At 1 January 2016 | 997,248 |
| Additions | 65,682 |
| At 31 December 2016 | <u>1,062,930</u> |
| Amortisation | |
| At 1 January 2016 | 722,497 |
| Charge for the year | 93,415 |
| At 31 December 2016 | <u>815,912</u> |
| Carrying amount | |
| At 31 December 2016 | <u>247,018</u> |
| At 31 December 2015 | <u>274,751</u> |

Peermusic (UK) Limited - Group
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

8. Tangible assets

| Group and company | Short leasehold property £ | Plant & equipment £ | Total £ |
|--------------------------------------|---|--|--------------------|
| Cost | | | |
| At 1 Jan 2016 and 31 Dec 2016 | <u>43,806</u> | <u>115,279</u> | <u>159,085</u> |
| Depreciation | | | |
| At 1 January 2016 | 33,117 | 111,437 | 144,554 |
| Charge for the year | <u>5,889</u> | <u>3,842</u> | <u>9,731</u> |
| At 31 December 2016 | <u>39,006</u> | <u>115,279</u> | <u>154,285</u> |
| Carrying amount | | | |
| At 31 December 2016 | <u>4,800</u> | <u>—</u> | <u>4,800</u> |
| At 31 December 2015 | <u>10,689</u> | <u>3,842</u> | <u>14,531</u> |

9. Investments

| Group | Other investments other than loans £ |
|--------------------------------------|---|
| Cost | |
| At 1 January 2016 | 4,750 |
| Additions | <u>(657)</u> |
| At 31 December 2016 | <u>4,093</u> |
| Impairment | |
| At 1 Jan 2016 and 31 Dec 2016 | <u>—</u> |
| Carrying amount | |
| At 31 December 2016 | <u>4,093</u> |
| At 31 December 2015 | <u>4,750</u> |

Peermusic (UK) Limited - Group
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

9. Investments *(continued)*

| Company | Other investments other than loans £ |
|-------------------------------|--|
| Cost | |
| At 1 January 2016 | 200 |
| At 31 December 2016 | <u>200</u> |
| Impairment | |
| At 1 Jan 2016 and 31 Dec 2016 | <u>—</u> |
| Carrying amount | |
| At 31 December 2016 | <u>200</u> |
| At 31 December 2015 | <u>200</u> |

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

| Subsidiary undertakings | Registered office | Class of share | Percentage of shares held |
|-----------------------------------|--|----------------|---------------------------|
| Peer-Southern Productions Limited | 23/24 George Street Richmond upon Thames Surrey TW9 1HY | Ordinary £1 | 50 |

10. Debtors

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Trade debtors | 215,666 | 214,012 | 215,666 | 214,012 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 83,353 | 62,502 | 83,353 | 62,502 |
| Other debtors | <u>80,322</u> | <u>153,867</u> | <u>80,765</u> | <u>154,310</u> |
| | <u>379,341</u> | <u>430,381</u> | <u>379,784</u> | <u>430,824</u> |

Peermusic (UK) Limited - Group

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

11. Creditors: amounts falling due within one year

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 155,000 | 242,768 | 155,000 | 242,767 |
| Trade creditors | 2,426,786 | 2,057,737 | 2,326,941 | 2,010,832 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 1,191,685 | 926,885 | 1,469,439 | 1,091,870 |
| Social security and other taxes | 155,194 | 138,826 | 152,459 | 138,494 |
| Other creditors | 39,026 | 40,157 | 38,076 | 39,207 |
| | <u>3,967,691</u> | <u>3,406,373</u> | <u>4,141,915</u> | <u>3,523,170</u> |

12. Creditors: amounts falling due after more than one year

| | Group | | Company | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | <u>305,000</u> | <u>460,000</u> | <u>305,000</u> | <u>460,000</u> |

Interest on the bank loans is charged at 4% above Coutts Bank base rate. These loans are as follows:

£140,000 to be repaid at a minimum of £75,000 per annum (Repayment due 30/09/2019)
£320,000 to be repaid at a minimum of £80,000 per annum (Repayment due 1/09/2020)

13. Contingencies

(a) The Company is included within the Peermusic (UK) Group Value Added Tax registration. As a result a contingent liability may arise for the United Kingdom Value Added Tax due.

(b) The Peermusic (UK) Limited Group has entered into a cross guarantee arrangement with its bankers. The companies included in this arrangement are:-

Peermusic (UK) Limited
Peer-Southern Productions Limited

(c) The Company's bankers have a fixed charge over the intangible assets owned by the Company.

14. Controlling party

The Company is a wholly owned subsidiary of Peermusic III Ltd, a Company registered in the United States of America. The ultimate controlling party is the family of Mr and Mrs R.I. Peer II.

Peermusic (UK) Limited - Group
Notes to the Financial Statements *(continued)*
Year ended 31 December 2016

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.