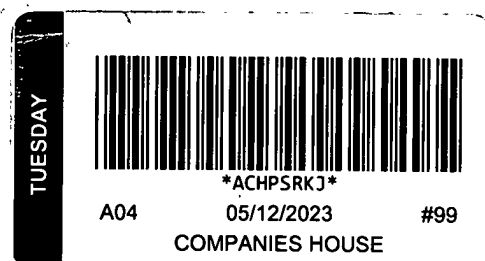


**Hermusic Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2022**



**Hermusic Limited**

**Annual Report and Financial Statements**

**Year ended 31 December 2022**

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**Hermusic Limited**

**Officers and Professional Advisers**

**Year ended 31 December 2022**

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**The Board of Directors**    H B Lisberg  
                                     K Hopwood  
                                     D J Betesh  
                                     T W Major

**Company secretary**        TMF Corporate Administration Services Limited (Resigned on 1 December 2022)

**Registered office**          4 Handyside Street  
                                     London, England  
                                     N1C 4DJ

**Hermusic Limited****Directors' Report****Year ended 31 December 2022**

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The Directors present their report and the unaudited financial statements of Hermusic Limited (the "Company") for the year ended 31 December 2022. The comparatives are for the year ended 31 December 2021.

**Principal activities and business review**

The principal activity of the Company continued to be that of music publishing. No material change in the activities of the business is contemplated.

During the financial year, the Company's turnover decreased by 70% on prior year due to lower intercompany synchronization income.

The Company has net assets of £267 (2021: £267) at the reporting date.

The turnover of the Company is generated from usage of the songs written by the Company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. Direct costs attributed to the turnover are the writer's shares of the royalties earned on their compositions.

The Company pays a proportion of costs recharged from Sony Music Publishing (UK) Limited in accordance with an internal cost share allocation agreement. The costs shared and borne by the Company include salaries and wages, rent and overheads, which have been included in administrative expenses in the Profit and Loss Account.

The Directors are satisfied with the trading performance during the year and are of the opinion that the Company is well positioned to continue trading successfully.

**Going concern**

The Company made a profit for the year of £nil (2021: £nil) and has net assets of £267 (2021: £267) at the reporting date.

These financial statements have been prepared on a going concern basis. In preparing the financial statements the Directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

The Directors have carried out a review of the business and have compared the forecast future performance and anticipated cashflows.

EMI Music Publishing Limited, parent company of B. Feldman and Co. Limited, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due.

As a result of the review, the Directors are confident the Company has sufficient access to financial resources to continue as a going concern for at least 12 months from the date of signing these financial statements and on this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

**Results and dividends**

The result for the financial year amounted to £nil (2021: £nil). The Directors have not recommended a dividend (2021: £nil).

**Future developments**

The Directors do not anticipate any significant changes to the Company's activity in the foreseeable future.

**Hermusic Limited**

**Directors' Report (continued)**

**Year ended 31 December 2022**

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**Directors**

The Directors who served the Company during the year and up to the date of signing this report are listed on page 2.

**Qualifying third party indemnity provisions**

Certain Directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of this report.

**Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2021: £nil).

**Financial risk management**

The Company's operations expose it to certain financial risks, primarily comprised of liquidity and cash flow.

*Cash flow risk*

The Company's cash is managed in accordance with the administration agreement. The company does not have its own bank account and is dependent on cash resources being provided by EMI Music Publishing Limited.

*Liquidity risk*

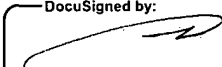
The Company's current assets are sufficiently liquid to enable it to pay its bills and fund its current liabilities. The Company and Group have short term debtors, repayable on demand.

**Small companies' regime**

The Company is entitled to take the small companies exemption, under section 414B, in relation to the requirement to prepare a Strategic report.

Signed on behalf of the Directors

T W Major  
Director

DocuSigned by:  
  
70C3E7168B86447...

4 Handyside Street  
London, England  
N1C 4DJ

Approved by the Directors on 04-Dec-23

**Hermusic Limited**

**Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements**

**Year ended 31 December 2022**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- 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 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.

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.

**Hermusic Limited****Profit & Loss Account and Other Comprehensive Income****Year ended 31 December 2022**

	<i>Note</i>	<b>2022</b> <b>Unaudited</b> <b>£</b>	<b>2021</b> <b>Audited</b> <b>£</b>
<b>Turnover</b>	3	<b>48,365</b>	159,022
Cost of sales		<b>2</b>	41
<b>Gross profit</b>		<b>48,367</b>	159,063
Distribution costs		<b>(24,796)</b>	(83,175)
Administrative expenses		<b>(23,571)</b>	(75,888)
<b>Operating result before taxation</b>	4	-	-
Tax on result		-	-
<b>Result for the financial year</b>		-	-

The notes on pages 8 to 13 form part of these financial statements.

All of the activities of the Company are classed as continuing for the current and prior years.

There are no items of comprehensive income other than those in the Profit and Loss Account, and therefore no statement of other comprehensive income has been presented.

**Hermusic Limited****Balance Sheet****At 31 December 2022**

	<i>Note</i>	<b>2022 Unaudited £</b>	<b>2021 Audited £</b>
<b>Current assets</b>			
Debtors	7	25,204	123,025
<b>Creditors: amounts falling due within one year</b>	8	(24,937)	(122,758)
<b>Net current assets</b>		<u>267</u>	<u>267</u>
<b>Net assets</b>		<u>267</u>	<u>267</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and Loss Account		<u>167</u>	<u>167</u>
<b>Shareholders' funds</b>		<u>267</u>	<u>267</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – Small Entities.

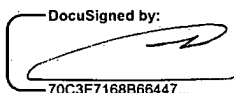
For the year ending 31 December 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies regime.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 8 to 13 form part of these financial statements.

The financial statements on pages 6 to 13 were approved by the Board of Directors on 04-Dec-23 and signed on their behalf by:

DocuSigned by:  
  
 70C3E7168B66447...

T W Major

Director

Company Registration Number: 00829056



**Hermusic Limited****Notes to the Financial Statements****Year ended 31 December 2022**

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**1. Accounting policies**

Hermusic Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales in the United Kingdom. The registered number is 00829056 and the registered address of the Company has been changed from 22 Berners Street, London, W1T 3LP to 4 Handyside Street, London, England, N1C 4DJ with effect from 4 July 2022.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts are rounded to the nearest £1.

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

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

**Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

**Going concern**

The Company made a profit for the year of £nil (2021: £nil) and has net assets of £267 (2021: £267) at the reporting date.

These financial statements have been prepared on a going concern basis. In preparing the financial statements the Directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

The Directors have carried out a review of the business and have compared the forecast future performance and anticipated cashflows.

EMI Music Publishing Limited, parent company of B. Feldman and Co. Limited, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due.

As a result of the review, the Directors are confident the Company has sufficient access to financial resources to continue as a going concern for at least 12 months from the date of signing these financial statements and on this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

**Cash flow statement**

The Company has taken advantage of the exemption available under FRS 102 Section 1A - small entities from preparing a statement of cash flows.

**Hermusic Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2022**

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**1. Accounting policies (continued)****Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Basic financial instruments***Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**Impairment***Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Hermusic Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2022**

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**1. Accounting policies (continued)****Impairment (continued)***Non-financial assets*

The carrying amounts of the Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

**Turnover**

The Company's turnover is wholly attributable to its principal activity and the Directors do not believe that any part of the Company's worldwide market is significantly different from any other.

Turnover is generated from usage of the songs written by the Company's composers, and will vary in any given year alongside the market conditions and popularity of various genres of music. It is recorded when reported to the Company by the relevant source, or when the Company reasonably estimates that the income has been earned from a relevant source. Turnover is stated after deducting all sales commissions and any sales related taxes levied on turnover. Turnover generated with respect to copyrights exploited in a territory with an affiliated entity or exploited in the UK where the copyright is registered by an affiliate in a separate territory is recognised based on the Company's share of income based on the intercompany arrangements in place.

**2. Accounting estimates and judgements**

The Company makes estimates and judgements concerning the future. The estimate that has a risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year is addressed below.

*Cash to accrual*

The Company's Cash to accrual represents accrued royalty income which relates to the current financial year. The accrued income is based on royalty income that is received post year end but where performance obligations related to the year ended 31 December 2022. The assessment of amounts earned which have not yet been confirmed is inherently uncertain and determined as management's best estimate based on current market activity and historical experience. An associated royalty expense due to writers is also estimated and accrued based on actual royalty rates previously incurred. The amounts initially recognised are trued up in subsequent periods once all amounts have been confirmed.

Synchronization revenue is earned where a musical work is licensed by a third party for coordination with advertisements, television or film. Whilst these arrangements may give the licensee access to use of the work for a period of time revenue is recognised at the point the licence arrangement is agreed from which point there is no further performance obligation for the Company to fulfil and the licensee can exploit the rights freely.

**Hermusic Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2022****3. Turnover**

The turnover is attributable to the one principal activity of the Company, i.e. music publishing.

An analysis of turnover by geographical market is given below:

	<b>2022</b> <b>Unaudited</b> <b>£</b>	2021 Audited £
United Kingdom	32,785	4,091
Europe	3,992	37,360
USA	10,674	116,278
Rest of the world	914	1,293
	<u>48,365</u>	<u>159,022</u>

**4. Operating profit before taxation**

	<b>2022</b> <b>Unaudited</b> <b>£</b>	2021 Audited £
Included in result is the following:		
Auditors' remuneration: audit of these financial statements	-	4,000
	<u>-</u>	<u>4,000</u>

Cost recharges of £7,041 (2021: £20,438) due to other group companies are included in administrative expenses in the Profit and Loss Account in respect of salaries and wages, rent and overheads and other administrative expenses.

**5. Directors' remuneration**

The Directors, who are also the key management of the Company, received no direct remuneration from the Company during the year (2021: £nil). The Sony Director was remunerated by Sony Music Publishing (UK) Limited. A portion of this Directors' remuneration is recharged to the Company as part of the cost recharge expense which in 2022 was £7,041 (2021: £20,438). It is not possible to identify separately the amount of the Directors remuneration.

**6. Staff numbers and costs**

The Company had no employees during the year (2021: none).

**Hermusic Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2022****7. Debtors**

	2022 Unaudited £	2021 Audited £
Amounts owed by related undertakings	19,169	-
Prepayments and accrued income	6,035	123,025
	<u>25,204</u>	<u>123,025</u>
Due within one year	<u>25,204</u>	<u>123,025</u>
	<u>25,204</u>	<u>123,025</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**8. Creditors: amounts falling due within one year**

	2022 Unaudited £	2021 Audited £
Trade creditors	143	145
Amounts owed to related undertakings	-	28,009
Amounts owed to related undertakings	24,794	94,604
	<u>24,937</u>	<u>122,758</u>

Amounts owed to related undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**9. Called up share capital****Share capital****Allotted, called up and fully paid:**

	2022 Unaudited £	2021 Audited £
100 (2021: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Hermusic Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2022**

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**9. Called up share capital**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**Reserves***Called up share capital*

Represents the nominal value of shares issued.

*Profit and Loss Account*

Represents the reserves for net gains and losses recognised in the Profit and Loss Account.

**10. Related party transactions**

During the year, the Company received a cost recharge of £7,041 (2021: £20,438) from EMI Music Publishing Limited, parent company of B. Feldman and Co. Limited. At 31 December 2022, the Company was owed from EMI Music Publishing Limited the amount of £19,169 (2021: the Company owed EMI Music Publishing Limited £28,009).

At 31 December 2022, the Company owed £24,794 (2021: £94,604) relating to publicity and promotion costs to its other parent undertakings. £ 11,984 (2021: £43,958) of this balance was owed to FRIMP Limited, £8,265 (2021: £33,972) to Kennedy Street Enterprises Limited and £4,545 (2021: £16,674) to Hermans Hermits Limited, which are settled through EMI Music Publishing Limited. The total charge relating to publicity and promotion costs arising during the year was £24,794 (2021: £ 94,604).

**11. Participating interests**

The Company's participating interest is from B. Feldman and Co. Limited, owning 40% of shares. Others are Kennedy Street Enterprises Limited who own 20%, FRIMP Limited who own 29% and 11% is owned by Hermans Hermits Limited.

All companies are incorporated and registered in England and Wales.

**12. Subsequent events**

There were no material events subsequent to 31 December 2022 and up until the authorisation of the financial statements for issue.