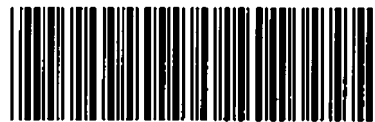


**UK MUSIC LIMITED**  
(a company limited by guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2019

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COMPANIES HOUSE

## **UK MUSIC LIMITED**

### **Company Information**

**Directors:**

Annabella Coldrick  
Cameron Craig  
Ged Doherty  
Crispin Hunt  
Peter Leathem  
Andrea Martin  
David Martin  
Roberto Neri  
Paul Pacifico  
Horace Trubridge

**Company Number:** 03245288

**Registered Office:** Savoy Hill House  
7-10 Savoy Hill  
London  
WC2R 0BU

# **UK MUSIC LIMITED**

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The directors present their report and the financial statements for the year ended 31 December 2019.

**Principal activities**

The principal activity of the company is to represent the interests and concerns of the UK's commercial music industry to UK and EU policymakers and the wider public.

The company is limited by guarantee, having no share capital and is majority funded in equal shares by two of its members, PRS for Music Limited and Phonographic Performance Limited.

PRS for Music Limited, The Musicians Union Limited, The Music Managers Forum Limited, Phonographic Performance Limited, BPI (British Recorded Music Industry) Limited, The Association of Independent Music Limited, Music Publishers Association Limited, Ivors Academy, Music Producers Guild, and the Featured Artists Coalition each own 10% of the company.

**Directors' qualifying third party indemnity provisions**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.

**Directors**

The directors who served during the year are as stated below:

Jackie Alway (resigned 11 July 2019)  
Robert Ashcroft (resigned 11 July 2019)  
Lucie Caswell (resigned 14 January 2020)  
Annabella Coldrick  
Cameron Craig  
Ged Doherty  
Crispin Hunt  
Andrea Martin  
David Martin  
Peter Leatham  
Paul Pacifico  
John Smith (resigned 22 January 2019)  
Horace Trubridge

The directors are nominated by the company's guarantors.


**Charitable donations**

The company made charitable donations of £nil (2018: £nil) during the year ended 31 December 2019.

**Small companies' exemption**

The Directors have taken advantage of the small companies' exemption under Section 415 (A) of the Companies Act 2006.

This report was approved by the Board on 15<sup>th</sup> September 2020 and signed on its behalf by:



David Martin  
Director

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, comprising FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland", 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

**UK MUSIC LIMITED**  
**INCOME STATEMENT**  
for the year ended 31 December 2019

|   | Notes     | 2019<br>£             | 2018<br>£           |
|---|-----------|-----------------------|---------------------|
| <b>Turnover</b>                               | <b>2</b>  | <b>1,273,305</b>      | <b>1,347,000</b>    |
| Administrative expenses                       |           | <u>(1,255,070)</u>    | <u>(1,317,155)</u>  |
| <b>Operating Profit</b>                       | <b>3</b>  | <b>18,235</b>         | <b>29,845</b>       |
| Interest receivable and similar income        |           | <u>880</u>            | <u>587</u>          |
| Profit on ordinary activities before taxation |           | <b>19,115</b>         | <b>30,432</b>       |
| Tax on Profit on ordinary activities          | <b>6</b>  | <u>(25,000)</u>       | <u>(22,678)</u>     |
| <b>Retained Profit/(Loss) for the year</b>    | <b>11</b> | <u><b>(5,885)</b></u> | <u><b>7,754</b></u> |

**UK MUSIC LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
for the year ended 31 December 2019

|  | Notes | 31 December<br>2019 |               | 31 December<br>2018 |               |
|--|-------|---------------------|---------------|---------------------|---------------|
|  |       | £                   | £             | £                   | £             |
| <b>Fixed Assets</b>  |       |                     |               |                     |               |
| Tangible assets  | 7     |                     | 8,730         |                     | 10,000        |
| <b>Current Assets</b>  |       |                     |               |                     |               |
| Debtors  | 8     | 117,050             |               | 134,236             |               |
| Cash at bank and in hand                                       |       | 252,355             |               | 285,071             |               |
|  |       | <u>369,405</u>      |               | <u>419,307</u>      |               |
| <b>Creditors: amounts falling due within one year</b>          | 9     | <u>(331,682)</u>    |               | <u>(367,968)</u>    |               |
| <b>Net current assets</b>                                      |       |                     | <u>37,723</u> |                     | <u>42,339</u> |
| <b>Total assets less current liabilities</b>                   |       |                     | <u>46,453</u> |                     | <u>52,339</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 10    |                     | (40,414)      |                     | (40,414)      |
| <b>Net assets</b>  |       |                     | <u>6,040</u>  |                     | <u>11,925</u> |
| <b>Capital and Reserves</b>                                    |       |                     |               |                     |               |
| Profit and Loss Account  | 11    |                     | <u>6,040</u>  |                     | <u>11,925</u> |

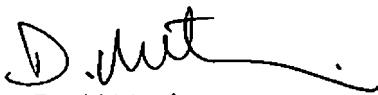
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

For the year ending 31 December 2019, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- 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 financial statements were approved by the Board on 15<sup>th</sup> September 2020 and signed on its behalf by:

  
David Martin  
Director

## **1. Accounting Policies**

### **a) Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

### **b) Going Concern**

The Directors' review the core funding requirements of the company on an annual basis, and as per the articles of association can ask their members to fund to requirements annually based on this review. Currently Phonographic Performance Limited and PRS for Music Limited meet these core funding requirements equally and both companies have substantial cash reserves to continue to do so for the foreseeable future. As such these financial statements have been prepared on the going concern basis.

The Directors' are assessing, on an ongoing basis, the impact of the significant uncertainty arising from the COVID-19 virus. Whilst the Directors' appreciate that there is significant uncertainty surrounding the future economic climate, at the period end and as at the date of signature of the financial statements, the company's activities remain positive with limited ongoing exposure.

### **c) Revenue Recognition**

Revenue is recognised during the period to which it relates.

### **d) Fixed Assets and Depreciation**

Fixed assets are initially recorded at cost. Depreciation is provided at rates calculated to write off the cost less residual value of each tangible fixed asset over its expected useful life as follows:

Fixtures, fittings and equipment – 33⅓% per annum straight line.

Computer Equipment – 33⅓% per annum straight line.

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.

### **e) Pensions**

Contributions to personal pension schemes are charged to the profit and loss account as they become payable in accordance with the rules of the individual schemes.

### **f) Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.



**2. Turnover**

Turnover represents amounts invoiced to members and grants received, excluding value added tax.  
 Turnover was wholly undertaken in the UK.

**3. Operating profit**

|                                       | 2019              | 2018              |
|---------------------------------------|-------------------|-------------------|
|                                       | £                 | £                 |
| This is stated after charging:        |                   |                   |
| Depreciation of tangible fixed assets | 4,574             | 1,999             |
| Auditor's remuneration                | -                 | -                 |
|                                       | <u>          </u> | <u>          </u> |

**4. Average Number of Employees**

During the year the average number of employees was 10 (2018 - 9).

**5. Directors' remuneration**

The directors received no remuneration for their services to the company. The directors represent their respective sectors in a non-profit umbrella organisation and this type of role is by custom not remunerated.

**6. Taxation**

|  | 2019              | 2018              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| The charge in the profit and loss account comprises: |                   |                   |
| UK corporation tax charge                            | 25,000            | 22,678            |
| Adjustment in respect of prior year                  | -                 | -                 |
|  | <u>          </u> | <u>          </u> |
|  | <u>25,000</u>     | <u>22,678</u>     |

From 2009, it has been agreed with HMRC that profits or losses arising from the company's principal activity will be assessed under Case VI of Schedule D.

**UK MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**  
for the year ended 31 December 2019

|  |                |   |
|--|----------------|---|
| <b>7. Tangible fixed assets</b>                                    |                | <b>Fixtures, fittings<br/>and equipment<br/>£</b> |
| <b>Cost</b>  |                |   |
| At 1 January 2019  |                | 29,034  |
| Additions  |                | 3,304   |
| Disposals  |                | (16,790)  |
| At 31 December 2019  |                | <u>15,548</u>                                     |
| <b>Depreciation</b>  |                |   |
| At 1 January 2019  |                | 19,034  |
| Charge for the year  |                | 4,574   |
| Disposals  |                | (16,790)  |
| At 31 December 2019  |                | <u>6,818</u>                                      |
| <b>Net Book Value at 31 December 2019</b>                          |                | <u><u>8,730</u></u>                               |
| <b>Net Book Value at 31 December 2018</b>                          |                | <u><u>10,000</u></u>                              |
| <b>8. Debtors</b>  |                |   |
|  | 2019<br>£      | 2018<br>£   |
| Other debtors  | <u>117,050</u> | <u>134,236</u>                                    |
| <b>9. Creditors: amounts falling due within one year</b>           |                |   |
|  | 2019<br>£      | 2018<br>£   |
| Accruals and deferred income                                       | 307,212        | 336,772   |
| Taxes and social security  | 24,470         | 40,196  |
|  | <u>331,682</u> | <u>376,968</u>                                    |
| <b>10. Creditors: amounts falling due after more than one year</b> |                |   |
|  | 2019<br>£      | 2018<br>£   |
| Payments on account  | 40,414         | 40,414  |
|  | <u>40,414</u>  | <u>40,414</u>                                     |
| <b>11. Reserves</b>  |                |   |
|  |                | <b>Profit and Loss<br/>Account<br/>£</b>          |
| At 1 January 2019  |                | 11,925  |
| Loss for the year  |                | (5,885)   |
| At 31 December 2019  |                | <u><u>6,040</u></u>                               |

**12. Related Party Transactions**

During the year, the company received funding of £1,152,000 from PRS for Music Limited (£576,000) and Phonographic Performance Limited (£576,000), two of its shareholders (2018: £1,234,500 in total. PRS for Music Limited (£632,250) and Phonographic Performance Limited (£602,250)). At year end, £nil was still due from PRS for Music Limited (2018: £36,000) and £nil was due from Phonographic Performance Limited (2018: £nil).

**13. Pension Commitments**

The Company makes contributions to individual personal pension plans on a straight-line basis. In 2019, the Company contributed £35,975 in respect of nine personal pension schemes (2018: £33,314 ten personal pension schemes).

**14. Members' Liability**

The company is limited by guarantee and does not have a share capital. The liability of each member on winding up is a maximum of £5.