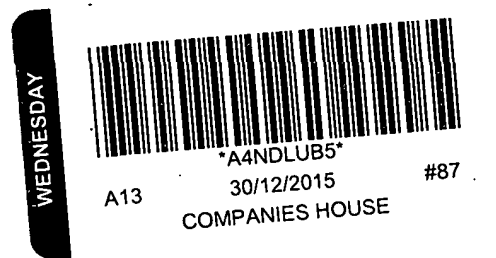

PIAS/WALL OF SOUND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014



PIAS/WALL OF SOUND LIMITED

COMPANY INFORMATION

DIRECTORS	M Lambot N Hartley
COMPANY SECRETARY	N Hartley
REGISTERED NUMBER	04217683
REGISTERED OFFICE	1 Bevington Path London SE1 3PW
INDEPENDENT AUDITORS	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Imperial House 18-21 Kings Park Road Southampton Hampshire SO15 2AT
BANKERS	Coutts & Co 440 Strand London WC2R 0QS

PIAS/WALL OF SOUND LIMITED

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PIAS/WALL OF SOUND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of a record label.

DIRECTORS

The directors who served during the year were:

M Lambot
N Hartley

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 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 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PIAS/WALL OF SOUND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

AUDITORS

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



N Hartley
Director

Date: 22 December 2015

PIAS/WALL OF SOUND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIAS/WALL OF SOUND LIMITED

We have audited the financial statements of PIAS/Wall of Sound Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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 AUDITORS

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

PIAS/WALL OF SOUND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIAS/WALL OF SOUND LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Nexia Smith & Williamson

Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditors

Imperial House
18-21 Kings Park Road
Southampton
Hampshire
SO15 2AT

Date:

29th December 2015

PIAS/WALL OF SOUND LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1	190,895	70,969
Cost of sales		<u>(88,916)</u>	<u>(50,169)</u>
GROSS PROFIT		101,979	20,800
Administrative expenses		(116,002)	(75,757)
Provision for intercompany debtors		(77,925)	-
Total administrative expenses		<u>(193,927)</u>	<u>(75,757)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(91,948)	(54,957)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR	9	<u>(91,948)</u>	<u>(54,957)</u>

The notes on pages 7 to 11 form part of these financial statements.

PIAS/WALL OF SOUND LIMITED
REGISTERED NUMBER: 04217683

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	4		363,122		417,653
CURRENT ASSETS					
Stocks	5	7,221		16,863	
Debtors	6	4,379,545		4,209,027	
Cash at bank and in hand		1,775		989	
			<u>4,388,541</u>	<u>4,226,879</u>	
CREDITORS: amounts falling due within one year	7	<u>(7,032,188)</u>		<u>(6,833,109)</u>	
NET CURRENT LIABILITIES			<u>(2,643,647)</u>		<u>(2,606,230)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,280,525)</u>		<u>(2,188,577)</u>
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Profit and loss account	9		<u>(2,280,526)</u>		<u>(2,188,578)</u>
SHAREHOLDERS' DEFICIT			<u>(2,280,525)</u>		<u>(2,188,577)</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 Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


N Hartley
 Director

Date: 22 December 2015

The notes on pages 7 to 11 form part of these financial statements.

PIAS/WALL OF SOUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

The company has net current liabilities of £2,643,647 (2013: £2,606,230) and net liabilities of £2,280,525 (2013: £2,188,577) as at 31 December 2014 and has made a loss of £91,948 (2013: £54,957) for the year then ended. The directors have prepared the financial statements on the going concern basis, which assumes that future incomes from artists will be sufficient to cover any advances to artists carried on the balance sheet and the continued support of the immediate parent company, PIAS Holding (UK) Limited.

The ability of PIAS Holding (UK) Limited to continue as a going concern is itself dependent on the ultimate parent company, LGS 2 SPRL not requiring repayment of intercompany funds. The directors have obtained confirmation from LGS 2 SPRL that they will continue to support PIAS Holding (UK) Limited through its existing facilities.

After considering the support available from LGS 2 SPRL, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover represents sales of goods and services rendered during the year, net of Value Added Tax.

Turnover from royalties is recognised on a receivables basis. Royalty advances are recognised in the year in which they are received.

1.4 Intangible fixed assets and amortisation

Costs incurred that can be attributable to goodwill are capitalised and amortised over their expected useful life of ten years, in accordance with FRS10 - Goodwill and Intangible Assets. They are reviewed for impairment at the end of the first full financial year following acquisition and in other periods, if events, or changes in circumstances indicate that the carrying value may not be recoverable.

Recorded catalogue intangibles acquired at cost are capitalised and amortised over their expected useful life of ten years.

Artists' rights are stated at cost and amortised over a period of 10 years.

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

PIAS/WALL OF SOUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.8 Royalties payable

Royalties payable are recognised in the same year as the income to which they relate.

2. LOSS

The loss is stated after charging:

	2014	2013
	£	£
Amortisation - intangible fixed assets	54,531	56,868
Auditors' remuneration	4,000	3,800
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2013 - £NIL).

3. TAXATION

	2014	2013
	£	£
UK corporation tax charge on loss for the year	-	-
	<u> </u>	<u> </u>

Tax losses carried forward at 31 December 2014 are approximately £2,007,000 (2013: £2,007,000).

PIAS/WALL OF SOUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. TAXATION (continued)

Factors that may affect future tax charges

There were no factors affecting the future tax charge.

4. INTANGIBLE FIXED ASSETS

	Record catalogue intangibles £	Artists' rights £	Goodwill £	Total £
Cost				
At 1 January 2014 and 31 December 2014	34,350	418,244	129,135	581,729
Amortisation				
At 1 January 2014	23,883	40,520	99,673	164,076
Charge for the year	3,436	38,180	12,915	54,531
At 31 December 2014	27,319	78,700	112,588	218,607
Net book value				
At 31 December 2014	7,031	339,544	16,547	363,122
At 31 December 2013	10,467	377,724	29,462	417,653

5. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	7,221	16,863

6. DEBTORS

	2014 £	2013 £
Trade debtors	10,189	-
Amounts owed by group undertakings	4,270,015	4,113,527
Prepayments and accrued income	99,341	95,500
	4,379,545	4,209,027

PIAS/WALL OF SOUND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,132	1,727
Amounts owed to group undertakings	6,873,263	6,704,554
Other taxation and social security	62,502	65,656
Accruals and deferred income	95,291	61,172
	<u>7,032,188</u>	<u>6,833,109</u>

Amounts owed to group undertakings have no fixed repayment terms.

8. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

9. RESERVES

	Profit and loss account £
At 1 January 2014	(2,188,578)
Loss for the year	(91,948)
	<u>(2,280,526)</u>
At 31 December 2014	<u>(2,280,526)</u>

PIAS/WALL OF SOUND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with the parent company and fellow wholly owned group companies.

Group companies that do not fall under the exemption are disclosed as follows:

	Sub Notes	Year Ended 31 December 2014 £	Year Ended 31 December 2013 £
Debtor/(creditor)			
PIAS HOLDING (UK)	1	(1,247,360)	(1,247,779)
PIAS RECORDINGS	1	(592,242)	(669,688)
PIAS UK Limited	1	(1,943,478)	(1,971,444)
Fat Cat Records	1,2	78,753	189,995
PIAS SPRL BELGIUM	1	1,186,857	1,132,213
PIAS SPAIN	1	1,193	1,193
PIAS FRANCE	1	-	2,755
PIAS PRODUCTIONS	1	1,986	1,986
PIAS DIGITAL	1	(3,114)	(257)
PIAS COOPERATIVE	1	-	-
PIAS AMERICA	1	(3,946)	-
Income/(expense)			
PIAS RECORDINGS	1	-	19,672
PIAS UK Limited	1	(577)	(13,557)
Fat Cat Records	1	-	2,872
Wall of Sound (Nordic) Limited	1	-	(3,599)
PIAS SPRL BELGIUM	1	(12,299)	-
PIAS DIGITAL	1	(2,857)	(257)
PIAS COOPERATIVE	1	-	12,257
PIAS AMERICA	1	(3,949)	-

Sub Notes

1) PIAS UK Limited, PIAS Recordings UK Limited, PIAS Holding (UK) Limited, PIAS/Wall of Sound Limited, Wall of Sound (Nordic) Limited and Fat Cat Records Limited and PIAS Cooperative are fellow group companies in the UK.

2) £40,950 of the £78,753 debtor balance of Fat Cat is included within the provision of intercompany bad debts at year end.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

PIAS Holding (UK) Limited, a company registered in England, was the immediate parent company throughout the year.

LGS 2 SPRL is the ultimate parent company and controlling party. Copies of the group financial statements of LGS SPRL are available from 90 Rue de Veeweyde, 1070 Bruxelles, Belgium.