

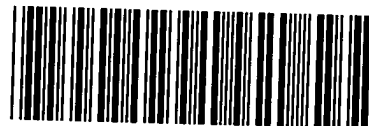
**Musicstyling.com Limited**

**Directors' report and financial  
statements**

**Registered number 05099635**

**31 December 2014**

THURSDAY



\*A4D86LW0\*

A10

06/08/2015

#195

COMPANIES HOUSE

## **Contents**

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Report of the independent auditors to the members of Musicstyling.com Limited	4
Profit and loss account	5
Balance sheet	6
Notes	7

## **Company information**

### **Directors**

WJ Truman  
A Jennewein

### **Secretary**

WJ Truman

### **Registered office**

Venture Way  
Dunston Technology Park  
Chesterfield  
Derbyshire  
S41 8NE

### **Registered number**

05099635

### **Auditors**

KPMG LLP  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

## **Directors' report**

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

### **Principal activity and business review**

The principal activity of the company during the year was the supply of highly bespoke music content and consultancy services to the leisure industry.

### **Results and dividends**

The results for the year are shown in the attached profit and loss account.

Dividends paid during the year comprise a first interim dividend of £1,862,000 (2013: £nil) together with a second interim dividend of £370,000 (2013: £nil).

### **Directors**

The following directors served during the year and up to the date of this report:

M Clark (resigned 31 December 2014)

WJ Truman

A Jennewein

### **Disclosure of information to auditors**

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 auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

KPMG LLP has indicated its willingness to continue in office and a resolution to reappoint it as auditor will be proposed at the next annual general meeting.

By order of the board



**WJ Truman**  
*Company Secretary*

Dated: *30 July 2015*

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards for Smaller Entities and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## Report of the independent auditors to the members of Musicstyling.com Limited

We have audited the financial statements of Musicstyling.com Limited for the year ended 31 December 2014 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards for Smaller Entities (UK 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 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 profit for the year then ended;
- have been properly prepared in accordance with UK 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.

### 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Tim Widdas** (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham NG1 6FQ

Dated: 30 May 2015

**Profit and loss account**  
*for the year ended 31 December 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	2013 £000
<b>Turnover</b>	2	<b>3,096</b>	2,787
Cost of sales		<b>(696)</b>	(613)
<b>Gross profit</b>		<b>2,400</b>	2,174
Administrative expenses		<b>(1,421)</b>	(1,673)
<b>Profit on ordinary activities before taxation</b>	3	<b>979</b>	501
Tax on profit on ordinary activities	4	<b>(192)</b>	(103)
<b>Profit on ordinary activities after taxation and profit for the financial year</b>	11	<b>787</b>	398

In both the current and preceding year, the company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses other than the profit in the current and preceding year.

**Balance sheet**  
*as at 31 December 2014*

	<i>Note</i>	<b>2014</b>	<b>2013</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Tangible assets	6	96	59
<b>Current assets</b>			
Debtors	7	1,660	2,502
Cash at bank and in hand		292	659
		<u>1,952</u>	<u>3,161</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,018)</u>	<u>(1,745)</u>
<b>Net current (liabilities)/assets</b>		<u>(66)</u>	<u>1,416</u>
<b>Total assets less current liabilities</b>		<u>30</u>	<u>1,475</u>
<b>Net assets</b>		<u>30</u>	<u>1,475</u>
<b>Capital and reserves</b>			
Called up share capital	10	30	30
Profit and loss account	11	-	1,445
<b>Equity shareholders' funds</b>	12	<u>30</u>	<u>1,475</u>

These financial statements were approved by the board of directors on 30 July 2015 and were signed on its behalf by:



**WJ Truman**  
*Director*

Registered number: 05099635



## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### ***Basis of preparation***

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### ***Going concern***

The directors have prepared the financial statements on a going concern basis, notwithstanding net current liabilities of £66,000, on the basis of an undertaking from the company's parent company to support the company for at least twelve months from the date of these financial statements and for the foreseeable future. The directors have also prepared trading and cash flow forecasts for the group for a period in excess of 12 months following the date of approval of these financial statements. The forecasts indicate appropriate cash and covenant headroom based upon the current facilities. On this basis the directors are of the opinion that the group and therefore the Company has adequate resources to trade in an orderly fashion for the foreseeable future and accordingly adopt the going concern basis in preparing these financial statements.

#### ***Fixed assets and depreciation***

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value over its expected useful life, as follows:

Leasehold improvements	-	Straight line over the period of the lease
Computer equipment	-	33% straight line
Rental equipment	-	20% straight line
Fixtures and Fittings	-	25% straight line
Audio Library	-	50% straight line
Website Development	-	25% straight line

#### ***Cash flow statement***

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement on the grounds of its size.

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Leases***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Foreign currencies***

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Dividends on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## Notes (continued)

### 2 Turnover

Turnover, which excludes value added tax and discounts, represents the goods and services sold. For services, turnover is recognised over the performance period that the services provided relate to. Recurring sales turnover such as for music services is billed in advance, for periods up to one year. The element that does not relate to the current year is deferred on a time basis and shown within deferred income. Turnover on non-recurring items such as systems installations is only recognised when the installation is complete.

### 3 Profit on ordinary activities before taxation

	2014 £000	2013 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation of fixed assets	49	44
Loss on disposal of fixed assets	-	7
Operating lease rentals - other	25	25
<i>Auditors' remuneration:</i>		
- audit of these financial statements	4	4
- tax compliance services	4	4
	<u>          </u>	<u>          </u>

The fees relating to the audit of this company have been borne by another group company.

### 4 Taxation

#### *Analysis of tax charge in the year*

	2014 £000	2013 £000
<i>Current tax charge</i>		
Current tax charge on income for the year	168	84
Overseas tax paid	21	16
Adjustments in respect of prior years	-	(4)
	<u>          </u>	<u>          </u>
Total current tax charge	189	96
Deferred tax charge (note 9)	3	7
	<u>          </u>	<u>          </u>
Total tax charge on profit on ordinary activities	192	103
	<u>          </u>	<u>          </u>

## Notes (continued)

### 4 Taxation (continued)

#### *Factors affecting the current tax charge for the current year*

The current tax charge for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.49% (2013: 23.5%).

	2014 £000	2013 £000
Profit on ordinary activities before tax	979	501
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.49% (2013: 23.5%)	210	116
<i>Effects of:</i>		
Capital allowances in deficit of depreciation	-	(2)
Group relief claimed	(16)	(15)
Amounts not deductible for tax	-	1
Adjustments in respect of prior years	(6)	(5)
Foreign tax credit	1	1
Total current tax charge	189	96

### 5 Directors and employees

#### *Directors*

Directors' emoluments were paid to one director and amounted to £141,000 (2013: £nil). The amount contributed to a defined contribution pension scheme was £2,500 (2013: £nil). Emoluments of two of the directors were borne by the company's parent undertaking.

There was one director (2013: none) in respect of whom pension benefits accrued during the year under money purchase schemes.

#### *Employees*

*The average number of persons employed by the company, including directors, during the year is analysed below:*

	2014 Number	2013 Number
Management and administration	15	15
<i>Staff costs (for the above persons) were:</i>		
	£000	£000
Wages and salaries	569	627
Social security costs	58	51
Pension costs	4	4
	631	682

**Notes (continued)**

**6 Tangible fixed assets**

	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Audio library £000	Rental equipment £000	Software development £000	Total £000
<i>Cost:</i>							
At 1 January 2014	29	10	50	106	397	-	592
Additions	-	-	1	43	20	22	86
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	29	10	51	149	417	22	678
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation:</i>							
At 1 January 2014	29	10	43	80	371	-	533
Charge for the year	-	-	3	28	16	2	49
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	29	10	46	108	387	2	582
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value:</i>							
At 31 December 2014	-	-	5	41	30	20	96
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	-	-	7	26	26	-	59
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**7 Debtors**

	2014 £000	2013 £000
Trade debtors	637	557
Prepayments and accrued income	122	98
Amount owed by group undertakings	893	1,836
Deferred tax asset (note 9)	8	11
	<hr/>	<hr/>
	1,660	2,502
	<hr/>	<hr/>

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

	2014 £000	2013 £000
Trade creditors	67	65
Other creditors	353	323
Corporation tax	144	39
Other tax and social security	4	12
Accruals and deferred income	1,450	1,306
	<hr/>	<hr/>
	2,018	1,745
	<hr/>	<hr/>

## Notes (continued)

### 9 Deferred taxation

	2014 £000	2013 £000
Deferred taxation asset	8	11

The elements of deferred taxation are as follows:

	2014 £000	2013 £000
Capital allowances	8	11

The movement in the deferred tax asset in the year was as follows:

	£000
At 1 January 2014	11
Charge to the profit and loss account (note 4)	(3)
<b>At 31 December 2014</b>	<b>8</b>

The deferred tax asset at 31 December 2014 is included within debtors (see note 7).

### 10 Called up share capital

	2014 £000	2013 £000
<i>Allotted and fully paid:</i>		
30,000 ordinary shares of £1 each (2013: 30,000)	30	30

### 11 Profit and loss account

	£000
At 1 January 2014	1,445
Profit for the year	787
Dividends paid	(2,232)
<b>At 31 December 2014</b>	<b>-</b>

### 12 Reconciliation of movements in equity shareholder's funds

	2014 £000	2013 £000
Profit for the year	787	398
Dividends paid	(2,232)	-
Net movement in equity shareholder's funds	(1,445)	398
Opening equity shareholder's funds	1,475	1,077
Closing equity shareholder's funds	30	1,475

## Notes (continued)

### 13 Commitments

Capital commitments at the end of the financial year, for which no provision has been made, were £nil (2013: £nil).

Annual commitments under non-cancellable operating leases are as follows:

	2014 £000	2013 £000
<i>Operating leases for land and buildings which expire:</i>		
Within one year	21	25
In the second to fifth years inclusive	-	21
	<u>          </u>	<u>          </u>

### 14 Contingent liabilities

The bank loans and overdrafts of the Imagesound Limited (formerly Imagesound plc) group have been secured via a cross guarantee between all companies within the group. At 31 December 2014 the amount outstanding on the group's facilities is £4,552,000 (2013: £2,775,000).

### 15 Related party transactions

As the company is a wholly owned subsidiary of Imagesound Limited (formerly Imagesound plc), the company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

### 16 Ultimate holding company

The company's immediate parent company is Imagesound Limited (formerly Imagesound plc), a company incorporated in England and Wales. The company's ultimate holding company is Concentia Capital Limited, which is incorporated in England and Wales. Copies of the financial statements of Imagesound Limited (formerly Imagesound plc) and Concentia Capital Limited, into which the company's results are consolidated, may be obtained from the Company Secretary, Venture Way, Dunston Technology Park, Chesterfield, Derbyshire, S41 8NE.