

Warner Music Pension Limited

Report and Financial Statements

26 September 2014

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COMPANIES HOUSE

Directors

M Osherova

S Robson (Resigned 13/01/2015)

M Lavin

R Booker

C Ancliff

Secretary

Olswang Cossec Limited

7th Floor

90 High Holborn

London WC1V 6XX

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Office

90 High Holborn

London WC1V 6XX

Strategic Report

The directors present their report and financial statements for the year ended 26 September 2014.

Principal activity and review of the business

The company's principal activity during the year was the administration related to management of the Warner Music Pension Fund.

The company's key financial and other performance indicators during the year were as follows:

	2014 £	2013 £	Change %
Turnover	25,914	16,896	53%
(Loss)/Profit after tax	(16)	1,421	-101%
Shareholders' funds	4,171	4,186	-0.4%

Turnover has increased by 53% due to the increase in rechargeable general consultancy charges.

The Loss after tax has reduced by 101% compared to 2013; this is mainly due to the reduction in interest income and also as a result of the higher relative increase in expenses.

Shareholders' funds have reduced by 0.4% due to the retained loss of £16.

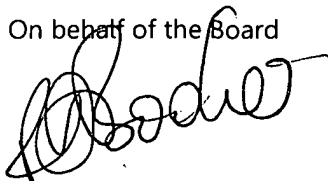
Future developments

The directors expect the company to continue to serve the administration requirements of the Warner Music Pension Fund.

Principal risks and uncertainties

The main risks and uncertainties facing the company are those facing the rest of the group. These relate to the speed with and extent to which new digital revenue streams replace traditional income based on physical (mainly CD) sales, and the extent to which the introduction of big supermarkets as customers drives down CD prices while at the same time increasing the reliability of customers and reducing the dependence on key customers.

On behalf of the Board



Roger Booker
Director

Date 12th June 2015.

Registered No. 5422101

Directors' report

The directors submit their report and financial statements for the year ended September 26 2014.

Results and dividends

The (Loss)/Profit, for the year amounted to (£16) (2013 – profit of £1,421). The directors do not recommend a final dividend (2013 – £nil).

Going concern

The financial statements are prepared on the going concern basis because the company is in a net asset position and have historically made a profit.

Directors

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

M Osherova
S Robson (Resigned 13/01/2015)
M Lavin
R Booker
C Ancliff


Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Roger Booker
Director

Date 12th June 2015.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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. 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.

Independent auditors' report

We have audited the financial statements of Warner Music Pension Limited for the year ended 26 September 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 set out on page 4, 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 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 Report and financial statements 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 September 2014 and of its 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report (continued)

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.

Ernst & Young LLP

Philip Young (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

London

Date 15/6/15

Profit and loss account

for the year ended 26 September 2014

	Notes	2014 £	2013 £
Turnover	2	25,914	16,896
Administrative expenses		(26,407)	(16,403)
Operating (Loss)/Profit	3	(493)	493
Interest receivable and similar income	4	477	928
(Loss)/Profit on ordinary activities before taxation		(16)	1,421
Tax	5	–	–
(Loss)/Profit for the financial year	9	(16)	1,421

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 26 September 2014

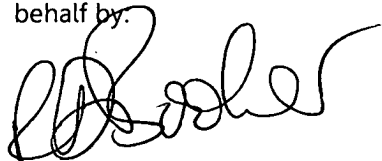
There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £16 in the year ended 26 September 2014 (2013 – profit of £1,421).

Balance sheet

at 26 September 2014

	Notes	2014 £	2013 £
Current assets			
Debtors	6	84,546	165,386
Cash at bank and in hand		-	-
		<u>84,546</u>	<u>165,386</u>
Creditors: amounts falling due within one year	7	<u>(80,375)</u>	<u>(161,199)</u>
Net current Assets		<u>4,171</u>	<u>4,187</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		<u>4,170</u>	<u>4,186</u>
Shareholders' funds	9	<u>4,171</u>	<u>4,187</u>

These financial statements were approved by the Board of Directors and were signed on their behalf by:



Roger Booker

Director

Date 12th June 2015.

Notes to the financial statements

at 26 September 2014

1. Accounting policies

Basis of preparation

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

Accounting period

The company prepares financial statements for either 52 or 53 week periods ending within one week of 30 September.

Going concern

The financial statements are prepared on the going concern basis because the company is in a net asset position and have historically made a profit.

Statements of cash flows

The company has taken advantage of the exemption in FRS 1 Revised (FRS 1). A statement of cash flows has not been prepared as the company was at 26 September 2014 a wholly-owned subsidiary undertaking of Warner Music Group Corp., a company incorporated in the United States of America, which prepared a group statement of cash flows.

Interest Income

Revenue is recognised as interest is accrued on a time basis, using the effective interest method.

2. Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, and is stated net of value added tax.

Turnover and pre-tax loss are attributable to the provision of financial and administrative services to other group undertakings worldwide.

Sales by destination were as follows:

	2014 £	2013 £
United Kingdom	25,914	16,896

3. Operating Profit

	2014 £	2013 £
Auditors' remuneration	1,240	1,700

There are no non audit services in the current or prior year.

The directors of the company are also directors of a number of subsidiaries of the ultimate parent undertaking. The directors do not believe that it is practicable to apportion the remuneration for their qualifying services between remuneration as directors of the company and their remuneration as directors of the fellow subsidiary companies. The directors' remuneration is therefore disclosed in the financial statements of the subsidiaries that make the remuneration payments.

Notes to the financial statements

at 26 September 2014

4. Interest Receivable from group undertakings

	2014 £	2013 £
Receivable from group undertakings	477	928

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax on the profit for the year	-	-
Total current tax (note 6(b))	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 22% (2013 – 23.5%). The differences are explained below:

	2014 £	2013 £
(Loss)/Profit on ordinary activities before tax	(16)	1,421
Tax on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2013 – 23.5%)	(4)	334
Effects of:		
Group relief (received)/surrendered for nil consideration	4	(334)
Current tax for the year (note 6(a))	-	-

6. Debtors

	2014 £	2013 £
Amounts owed by group undertakings	78,141	162,467
VAT recoverable	4,800	2,919
Debtors	1,605	-
	84,546	165,386

Notes to the financial statements

at 26 September 2014

7. Creditors: amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	22,193	21,836
Accruals and deferred income	58,182	139,363
	<u>80,375</u>	<u>161,199</u>

8. Issued share capital

	No.	2014 £	No.	2013 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1000	<u>1</u>	1000	<u>1</u>

9. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 28 September 2012	1	2765	2766
Profit for the year	–	1,421	1421
At 28 September 2013	1	4,186	4187
Loss for the year	–	(16)	(16)
At 26 September 2014	<u>1</u>	<u>4,170</u>	<u>4,171</u>

10. Related party transactions

The company has taken advantage of the exemption in FRS 8 not to disclose details of transactions between fellow wholly-owned group undertakings.

11. Ultimate parent undertaking and controlling party

The company is 100% owned by Warner Music Group Corp., the immediate parent undertaking.

On 26 September 2014, Access Industries LLC a company incorporated in the United States of America, was the ultimate parent undertaking. Warner Music Group Corp. was the parent undertaking of the smallest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Warner Music Group Corp.'s financial statements can be obtained from 1209 Orange Street, Wilmington, DE 19801, USA.