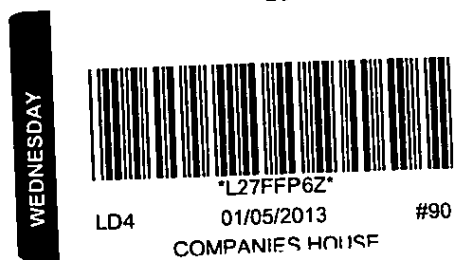


The Academy Music Fund Limited

Report and Financial Statements

31 December 2012

Registered No 05652992



The Academy Music Fund Limited

(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS

J M Hands
S Douglas
P Latham

SECRETARY

S H Emeny

AUDITORS

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London
NW1 2EP

BANKERS

HSBC Bank plc
City Corporate Banking Centre
First Floor
60 Queen Victoria Street
London
EC4N 4TR

Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

REGISTERED OFFICE

211 Stockwell Road
London
SW9 9SL

The Academy Music Fund Limited

(A company limited by guarantee)

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The company did not trade during the year or during the previous year

FUTURE DEVELOPMENTS

Notwithstanding the risk and uncertainties outlined below, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £911 (2011 - £410)

The directors do not recommend a dividend for the year (2011 - £nil)

The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net liabilities have increased by 6% to £17,109

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the company and the systems and procedures in place to identify, assess and mitigate them are integrated into those of the group

DIRECTORS

The directors who served throughout the year ended 31 December 2012, except as noted, were as follows

S Douglas

P Latham

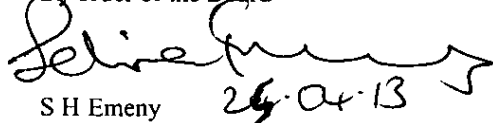
J M Hands (appointed 1 April 2012)

T Rolph (resigned 1 April 2012)

AUDITORS

A resolution to re-appoint Grant Thornton UK LLP as the company's auditor will be proposed in accordance with section 485 of the Companies Act 2006

By order of the Board



S H Emeny

Secretary

Date

26.04.13

The Academy Music Fund Limited

(A company limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period. In preparing those 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 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Academy Music Fund Limited

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ACADEMY MUSIC FUND LIMITED

We have audited the financial statements of The Academy Music Fund Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 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 Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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 matters 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.

Grant Thornton UK LLP

Nicholas Page (Senior Statutory Auditor)

for and on behalf of Grant Thornton UK LLP, Statutory Auditor, Chartered Accountants

London

Date

29 April 2013

The Academy Music Fund Limited
(A company limited by guarantee)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

| | Notes | 2012 £ | 2011 £ |
|---|-------|-----------|-----------|
| Administrative expenses | | (42) | (6) |
| OPERATING LOSS | 2 | (42) | (6) |
| Interest receivable and similar income | 4 | 11,826 | 5,490 |
| Interest payable and similar charges | 5 | (12,695) | (5,894) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAX | | (911) | (410) |
| Tax on loss on ordinary activities | 6 | - | - |
| LOSS FOR THE FINANCIAL YEAR | 10 | (911) | (410) |

All the company's operations are continuing

There are no recognised gains or losses other than as stated in the profit and loss account

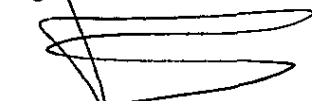
The accompanying accounting policies and notes form part of the financial statements

The Academy Music Fund Limited
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BALANCE SHEET AS AT 31 DECEMBER 2012

| | Notes | 2012 £ | 2011 £ |
|---|-------|------------------|------------------|
| CURRENT ASSETS | | | |
| Debtors | 7 | 317,316 | 294,106 |
| Cash at bank and in hand | | 6,207 | 6,251 |
| | | <u>323,523</u> | <u>300,357</u> |
| CREDITORS. amounts falling due within one year | 8 | <u>(340,632)</u> | <u>(316,555)</u> |
| NET CURRENT LIABILITIES | | <u>(17,109)</u> | <u>(16,198)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(17,109)</u> | <u>(16,198)</u> |
| CAPITAL AND RESERVES | | | |
| Profit and loss account | 10 | <u>(17,109)</u> | <u>(16,198)</u> |
| | 11 | <u>(17,109)</u> | <u>(16,198)</u> |

Signed on behalf of the board



J.M. Harris
Director
Date

25/4/13

Registered No 05652992

The Academy Music Fund Limited

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Accounting policies for all material transactions have been applied consistently unless otherwise stated, and are set out below.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 2.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of cash flows

In accordance with FRS 1 (revised) the company has not prepared a statement of cash flows as its ultimate UK parent undertaking, Academy Music Holdings Limited, produces publicly available consolidated financial statements.

Deferred taxation

In accordance with FRS 19 (Deferred Tax), full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted.

No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. No provision is made for the tax which would become payable on the distribution of retained profits by foreign subsidiaries, associates or joint ventures, unless there is an intention to distribute such retained earnings giving rise to a charge.

Provision on timing differences arising when an asset is continuously revalued to fair value is only made where changes in fair value are recognised in the profit and loss account. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

2 OPERATING LOSS

The 2012 audit costs of £1,000 (2011 - £1,000) were borne by another group undertaking, Academy Music Group Limited.

3 DIRECTORS AND EMPLOYEES

The company had no employees for the years ended 31 December 2012 and 31 December 2011. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2012 and 31 December 2011.

The Academy Music Fund Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

4 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2012 | 2011 |
|------------------------------------|---------------|--------------|
| | £ | £ |
| Interest receivable on group loans | 11,826 | 5,490 |
| | <u>11,826</u> | <u>5,490</u> |

5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2012 | 2011 |
|---------------------------------|---------------|--------------|
| | £ | £ |
| Interest payable on group loans | 12,695 | 5,894 |
| | <u>12,695</u> | <u>5,894</u> |

6 TAX ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year

| | 2012 | 2011 |
|--|----------|----------|
| | £ | £ |
| Current tax | | |
| UK Corporation Tax on loss for the year | - | - |
| Adjustments in respect of previous years | - | - |
| | <u>-</u> | <u>-</u> |
| Total current tax (note 6 (b)) | - | - |

b) Factors affecting the current tax charge for the year

The difference between the total current tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax of 24.5% (2011 - 26.5%) to the (loss) before tax is as follows

| | 2012 | 2011 |
|--|--------------|--------------|
| | £ | £ |
| (Loss) on ordinary activities before taxation | (911) | (410) |
| | <u>(911)</u> | <u>(410)</u> |
| (Loss) on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 24.5% (2011 - 26.5%) | (223) | (109) |
| Effects of | | |
| (Income not taxable and corresponding adjustments) | (245) | (265) |
| Group relief surrendered not paid for | 468 | 374 |
| | <u>(245)</u> | <u>(265)</u> |
| Current tax charge for the year (note 6 (a)) | - | - |

The Academy Music Fund Limited
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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

7 DEBTORS

| | 2012 | 2011 |
|-------------------------------------|---------|---------|
| | £ | £ |
| Amounts due from group undertakings | 317,316 | 294,106 |

8 CREDITORS amounts falling due within one year

| | 2012 | 2011 |
|------------------------------------|---------|---------|
| | £ | £ |
| Amounts owed to group undertakings | 340,632 | 316,555 |
| | 340,632 | 316,555 |

9 COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

10 PROFIT AND LOSS ACCOUNT

| | £ |
|---------------------|----------|
| At 1 January 2012 | (16,198) |
| Loss for the year | (911) |
| At 31 December 2012 | (17,109) |

11 RECONCILIATION OF MOVEMENT IN MEMBERS' DEFICIT

| | 2012 | 2011 |
|--------------------------|----------|----------|
| | £ | £ |
| Opening members' deficit | (16,198) | (15,788) |
| Loss for the year | (911) | (410) |
| Closing members' deficit | (17,109) | (16,198) |

12 CONTINGENCIES AND CAPITAL COMMITMENTS

The company is included in a group VAT registration and is therefore jointly and severally liable for all the other group companies' unpaid debts in this connection.

The company had no capital commitments outstanding at 31 December 2012 or 31 December 2011.