

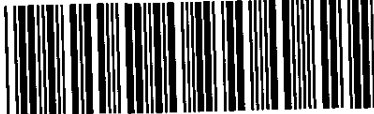
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Submin Holdings Limited

ABBREVIATED ACCOUNTS

PAGES FOR FILING WITH COMPANIES HOUSE

31 December 2016

FRIDAY			
	L6ZEP36G		
TL	LD4	09/02/2018	#84
	COMPANIES HOUSE		
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	LD7	30/01/2018	#39
	COMPANIES HOUSE		

Company Registration No. 121113
Companies House Reference No. FC033537

Submin Holdings Limited

DIRECTORS AND ADVISORS

DIRECTORS

L Presencer
RJG Holman
J Bevan

SECRETARY

RJG Holman

REGISTERED OFFICE

44 Esplanade
St Helier
Jersey
JE4 9WG

INDEPENDENT AUDITOR

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

31 December 2016

Profit / (loss) and total
comprehensive income for the
financial year attributable to:

Owners of the parent	
Non-controlling interests	

Submin Holdings Limited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2016

	<i>Notes</i>	2016 £000	2015 £000
FIXED ASSETS			
Intangible assets	7	-	300
Tangible assets	8	562	1,283
Investments	9	50	50
		<u>612</u>	<u>1,633</u>
CURRENT ASSETS			
Stocks	13	62	885
Debtors	14	1,463	10,119
Investments	12	-	313
Cash at bank and in hand		3,411	3,659
		<u>4,936</u>	<u>14,976</u>
CREDITORS: Amounts falling due within one year	15	(2,585)	(14,002)
NET CURRENT ASSETS		<u>2,351</u>	<u>974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,963</u>	<u>2,607</u>
CREDITORS: Amounts falling due after more than one year	17	-	(600)
NET ASSETS		<u>2,963</u>	<u>2,007</u>
CAPITAL AND RESERVES			
Called up share capital	18	17	21
Share premium account	18	10,709	77,709
Other reserve	18	(10,113)	(77,113)
Profit and loss account	18	2,492	1,409
EQUITY SHAREHOLDERS' FUNDS		<u>3,105</u>	<u>2,026</u>
Attributable to Minority Interest		(142)	(19)
TOTAL CAPITAL EMPLOYED		<u>2,963</u>	<u>2,007</u>

The financial statements on pages 2 to 18 were approved by the board and authorised for issue on and are signed on its behalf by

8/9/17



J Bevan
Director

8th September 2017

Submin Holdings Limited

COMPANY STATEMENT OF FINANCIAL POSITION

31 December 2016

Company Registration No. JE121113

	<i>Notes</i>	2016 £000
FIXED ASSETS		
Investments	9	9,640
CREDITORS: Amounts falling due within one year	15	(12,681)
NET ASSETS		<u>(3,041)</u>
CAPITAL AND RESERVES		
Called up share capital	18	17
Share premium account	18	10,709
Profit and loss account	18	(13,767)
SHAREHOLDERS' DEFICIT		<u>(3,041)</u>

The financial statements on pages 2 to 18 were approved by the board and authorised for issue on and are signed on its behalf by

8/9/17



J Bevan
Director

8th September 2017

Submin Holdings Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Submin Holdings Limited ("the Company") is a limited company domiciled and incorporated in Jersey. On 18 April 2016, the Company was incorporated in Jersey and registered as a UK establishment of an overseas company at Companies House.

The address of the Company's registered office and principal place of business is 44 Esplanade, St Helier, Jersey, JE4 9WG.

The group consists of Submin Holdings Limited and all of its subsidiaries.

The Company's and the Group's principal activities and the nature of the Company's operations and the Group's operations are given in the Directors' Report.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies (Jersey) Law 1991, under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

GOING CONCERN

The directors have reviewed the results of the group since the year end along with cash flow forecasts for the 12 months following the date of approval of the financial statements. Taking into account the group's strong cash reserves, low level of borrowing and the expected future results, the directors are satisfied that the group will continue as a going concern for the foreseeable future.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

No profit and loss account has been prepared for Submin Holdings Limited (the company) as permitted by the Companies (Jersey) Law 1991. The company made a loss for the period of £13,771,000 after tax.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Submin Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The merger method of accounting is applied to group reconstructions as if the entities had always been combined. The total comprehensive income, assets and liabilities of the entities are amended, where necessary, to align the accounting policies. The carrying values of the entities' assets and liabilities are not adjusted to fair value. Any difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received is taken to other reserves in equity.

Submin Holdings Limited

ACCOUNTING POLICIES

INTANGIBLE FIXED ASSETS

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight line method. The intangible assets are amortised over the following useful economic lives:

Goodwill	over 5 years
Intellectual property rights	over 20 years
Brand names	over 3 years

TANGIBLE FIXED ASSETS

Fixed assets are stated at historic cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Club and office improvements	over 3-5 years
Motor vehicles	over 2-4 years
Fixtures, fittings & equipment	over 2-5 years

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments in the profit and loss account.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Submin Holdings Limited

ACCOUNTING POLICIES

INVESTMENTS

Long term investments are classified as fixed assets. Short term investments are classified as current investments. Fixed asset investments are stated at cost in the company balance sheets. Investments in gold sovereigns are valued at market value at the balance sheet date.

Provision is made for any impairment in the value of fixed asset investments.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

LEASES

The Group as Lessee – Operating Leases

Leases are operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

ROYALTIES PAYABLE AND RECEIVABLE

Royalties receivable are recognised on notification to the company by related companies and sub-licencees in respect of all royalty accounting periods ending within the financial year.

Royalties due are accounted for in accordance with the terms laid out within the individual royalty agreement with each artist on a payable basis.

ADVANCES AND OTHER ARTIST COSTS

Advances to artists are held on the balance sheet until release, at which point they are expensed to profit and loss. Amounts held on the balance sheet for future releases are reviewed for impairment based upon expected future sales. Pre-release origination, marketing, and other expenditure is recorded as a prepayment until the time of release or the directors decide that the product will not be released at which point it is expensed in the profit and

Submin Holdings Limited

ACCOUNTING POLICIES

loss account. Unrecoupable advances are taken to the profit and loss account when paid. Recoupable advances are retained as a debtor and offset against future royalties.

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Trade investments

Trade investments are equity investments over which the Group has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price. The fair value of unlisted investments is measured using valuation techniques which include turnover multiple, earnings multiple, net assets or discounted cash flows, as appropriate, based on the nature and circumstances of the investment.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

PROVISIONS

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Submin Holdings Limited

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2016

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Accrued income

Certain revenue streams in the Publishing businesses, for example performance income, are on long reporting cycles with revenues earned during a financial year not being reported and paid through until the following period. There are no standard earnings rates for this type of income and levels can fluctuate significantly based on a number of variables. The income is accrued based upon past experience of how track performance equates to revenue received.

Royalty advances and recoupable costs

Advances to artists are held on the balance sheet until release, at which point they are expensed to profit and loss. Amounts held on the balance sheet for future releases are reviewed for impairment based upon expected future sales. An off balance sheet royalties account is maintained and further royalties are only charged to profit and loss once an artist is recouped. Recoupable costs are charged to profit and loss at the time of release as management believe this is the most prudent approach as it can never be guaranteed that royalties due to an artist will exceed advances and recoupable costs paid. This eliminates the possibility of holding a potentially irrecoverable asset on the balance sheet.

Depreciation

The Group exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

Submin Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and profit on ordinary activities before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	2016 £000	2015 £000
United Kingdom	15,713	29,538
Europe (outside UK)	7,990	5,397
USA	526	1,407
Australasia	187	555
Other	409	739
	<u>24,825</u>	<u>37,636</u>

	2016 £000	2015 £000
Turnover by class of business:		
Recordings	14,092	27,103
Promotions	8,737	8,747
Brand licensing	489	603
Other	1,507	1,183
	<u>24,825</u>	<u>37,636</u>

3 INTEREST PAYABLE

	2016 £000	2015 £000
Bank interest payable	<u>18</u>	<u>50</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016 £000	2015 £000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off tangible fixed assets:		
- Charge for the year on owned assets	650	578
Operating lease rentals:		
- Land and buildings	575	378
- Other	12	15
Amortisation and impairment of intangible fixed assets	<u>148</u>	<u>236</u>

Submin Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

Amounts payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;	2016 £000	2015 £000
Audit services - statutory audit	52	55

5 DIRECTORS

	2016 £000	2015 £000
In respect of the directors of Ministry of Sound Group Limited:		
Emoluments in respect of qualifying services	1,398	1,125
Amounts receivable under long-term incentive schemes	-	327
Company contributions to money purchase pension schemes	13	36
	<u>1,411</u>	<u>1,488</u>

The number of directors to whom retirement benefits are accruing under money purchase schemes was:

3	3
---	---

Directors emoluments disclosed above include the following payments:

	Highest paid director	
	2016 £000	2015 £000
Remuneration	340	415
Amounts receivable under long term incentive schemes	-	119
Company contributions to money purchase pension schemes	4	4
	<u>344</u>	<u>538</u>

6 TAXATION

	2016 £000	2015 £000
Based on the result for the year:		
UK Corporation tax	(452)	1,108
Foreign tax	(148)	7
Adjustment in respect of prior year	(50)	-
Current tax charge	<u>(650)</u>	<u>1,115</u>
Deferred tax:		
Origination and reversal of timing differences	16	-
Adjustments in respect of prior periods	2	-
Effect of tax rate change on opening balance	1	-
Tax (credit) / charge in respect of ordinary activities	<u>(631)</u>	<u>1,115</u>

Submin Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

6 TAXATION (continued)

Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	67,327	3,915
Profit on ordinary activities before taxation multiplied by the average standard rate of UK corporation tax of 20% (2015: 20.25%)	13,465	796
Effects of:		
Fixed asset timing differences	(1,006)	93
Utilisation of tax losses	-	(26)
Income not taxable	(24,035)	(3)
Disallowable expenses	11,484	248
Foreign tax	(148)	7
Adjustment in respect of prior year	(50)	-
Other permanent differences	(536)	-
Tax losses not recognised as deferred tax	161	-
Adjustment of opening / closing deferred tax to average rate	34	-
Current tax charge	(631)	1,115

7	INTANGIBLE FIXED ASSETS	Intellectual property rights £000	Brand Names £000	Total £000
	GROUP			
	Cost			
	1 January 2016	179	2,878	3,057
	Disposal	(179)	(2,878)	(3,057)
	31 December 2016	-	-	-
	Amortisation			
	1 January 2016	105	2,652	2,757
	Charged in year	11	137	148
	Disposal	(116)	(2,789)	(2,905)
	31 December 2016	-	-	-
	Carrying amount:			
	31 December 2016	-	-	-
	31 December 2015	74	226	300

During the year, the group disposed of its intellectual property rights, generating a profit on disposal of £5,171,041. As part of the disposal, the group retained rights allowing it to exploit the "Ministry of Sound" and other brands except in respect of recorded music.

Submin Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

8 TANGIBLE FIXED ASSETS

	Club and office improvements £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
GROUP				
Cost				
1 January 2016	2,271	86	1,092	3,449
Additions	127	-	260	387
Disposals	(1,298)	-	(980)	(2,278)
31 December 2016	1,100	86	372	1,558
Depreciation				
1 January 2016	1,460	30	676	2,166
Charged in the year	456	22	172	650
Disposals	(1,122)	-	(698)	(1,820)
31 December 2016	794	52	150	996
Carrying amount:				
31 December 2016	306	34	222	562
31 December 2015	811	56	416	1,283

9 FIXED ASSET INVESTMENTS

GROUP	£000
Cost	
1 January and 31 December	324
Provisions for impairment	
1 January and 31 December	274
Carrying amount:	
- Trade investment	50
- Jointly controlled entity	-
31 December 2016	50
31 December 2015	50

A subsidiary group company Ministry of Sound Group Limited, has a 10% equity shareholding in TickX Limited, a technology company incorporated in England. It is the opinion of the directors that the carrying value of the investment is not less than cost.

Ministry of Sound Group Limited has a fully provided 50% interest in Last Night a DJ the Musical Limited (note 11).

Submin Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

9 FIXED ASSET INVESTMENTS (continued)

COMPANY	£000
Cost	
18 April 2016	-
Additions	144,732
Disposals (note 19)	(67,000)
31 December 2016	77,732
Provisions for impairment	
18 April 2016	-
Charge for the year	68,092
31 December 2016	68,092
Carrying amount:	
- Subsidiary undertakings (note 10)	9,640

The additions represent the acquisition of subsidiary undertakings as part of the group reorganisation described in note 19. Following the reorganisation, an impairment was recognised.

10 SUBSIDIARY UNDERTAKINGS

Submin Holdings Limited is the beneficial owner of the following companies which are held directly.

COMPANY	Nature of Business	Type of shares	Holding %
Investment in subsidiaries:			
Ministry of Sound Group Ltd	Holding company	Ordinary	100%
Ministry of Sound Licensing Limited	Brand licensing	Ordinary	100%
Nimbus Holdings Limited (Jersey)	Holding company	Ordinary	100%

It is the opinion of the directors that the market value of the investments in subsidiaries is not less than cost.

Shares in group undertakings

Submin Holdings Limited is also the beneficial owner of the following companies through its investment in Ministry of Sound Group Limited.

Name	Nature of Business	Type of shares	Holding
Ministry of Sound Limited	Nightclub	Ordinary	100%
MOS Publishing Limited	Publishing company	Ordinary	75%
Music Does Fitness Limited	Leisure and fitness company	Ordinary	75%
Ministry of Sound Properties Limited (incorporated 20 th January 2016)	Dormant	Ordinary	100%

Unless otherwise noted, all of the subsidiary undertakings were incorporated and operate in England. All of the subsidiaries have been included within the consolidated results.

Submin Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

11 JOINT VENTURE

Ministry of Sound Group Limited holds the following interest in a jointly controlled entity:

<i>Name of undertaking</i>	<i>Country of incorporation</i>	<i>Type of Shares</i>	<i>Proportion of nominal value held directly</i>	<i>Nature of Business</i>
Last Night a DJ the Musical Limited	England	Ordinary	50%	Theatre Production

The Group has a 50% equity shareholding (and voting rights) in Last Night a DJ the Musical Limited, a joint venture established in the UK. This investment is held at a carrying amount of £Nil in the Group financial statements under the net equity method. A Special Resolution for the voluntary wind up of the Company was passed on 30th September 2016, at which point an Ordinary Resolution was passed to appoint Liquidators.

12 CURRENT ASSET INVESTMENTS

	Total £000
GROUP	
<u>Gold Sovereigns</u>	
At valuation	
1 January 2016	313
Disposal	(313)
	<hr/>
31 December 2016	-
	<hr/>

13 STOCKS

	2016 £000	Group 2015 £000
Finished goods	62	885
	<hr/>	<hr/>

Stock recognised in cost of sales during the year as an expense was £2,290,138 (2015: £2,355,396).

14 DEBTORS

	Group 2016 £000	2015 £000	Company 2016 £000
Trade debtors	174	4,200	-
Amounts owed by group undertakings	-	-	-
Other debtors	69	51	-
Prepayments and accrued income	1,220	5,868	-
	<hr/>	<hr/>	<hr/>
	1,463	10,119	-
	<hr/>	<hr/>	<hr/>

Submin Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

15	CREDITORS: Amounts falling due within one year	Group 2016 £000	Group 2015 £000	Company 2016 £000
	Bank loan	-	838	-
	Amounts owed to group undertakings	-	-	12,681
	Trade creditors	157	1,813	-
	Corporation Tax	(421)	361	-
	Other taxation and social security costs	652	802	-
	Other creditors	498	212	-
	Accruals and deferred income	1,699	9,976	-
		<u>2,585</u>	<u>14,002</u>	<u>12,681</u>

16 FINANCIAL INSTRUMENTS

The carrying amount of the Group's and Company's financial instruments at 31 December were:

	Group 2016 £'000	2015 £'000	Company 2016 £'000
Financial assets:			
Debt instruments measured at amortised cost			
Trade debtors	174	4,200	-
Amounts owed by group undertakings	-	-	20,599
Accrued income	399	3,878	-
Equity instruments measured at cost less impairment			
Investments in subsidiaries	-	-	9,640
Investments in joint ventures	-	-	-
Trade investments	50	50	-
Total	<u>623</u>	<u>8,128</u>	<u>30,239</u>
Financial liabilities:			
Measured at amortised cost			
Bank loan	-	1,438	-
Trade creditors	157	1,813	-
Amounts owed to group undertakings	-	-	12,681
Accruals	1,672	8,598	-
Total	<u>1,829</u>	<u>11,849</u>	<u>12,681</u>

Submin Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

17 BORROWINGS

	Group 2016 £'000	2015 £'000	Company 2016 £'000
Creditors: amounts falling due within one year:			
Bank loans	-	838	-
Creditors: amounts falling due after more than one year:			
Bank loans	-	600	-
Total	-	1,438	-

Borrowings were denominated and repaid in pounds sterling, have contractual interest rates that were either fixed rates or variable rates linked to LIBOR that were not leveraged, and did not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

The Group made quarterly repayments of the bank borrowings. Bank borrowings of £Nil (2015: £1,437,500) were secured against the assets of all group companies.

18 SHARE CAPITAL AND RESERVES

	Group and Company	
	2016 £000	2015 £000
Authorised		
Nil A ordinary shares of 1p each (2015: 250,000)	-	2
Nil B2 ordinary shares of 1p each (2015: 1,500,000)	-	15
Nil C ordinary shares of 1p each (2015: 1,500,000)	-	15
168,798,349,800 R ordinary shares of 0.00001p	17	-
40,107,250,200 Deferred ordinary shares of 0.0001p	4	-
1,054,006,471,257 S ordinary shares of 0.006p	67,000	-
	<u>67,021</u>	<u>32</u>
Allotted, issued and fully paid		
Nil A ordinary shares of 1p each (2015: 153,375)	-	2
Nil B2 ordinary shares of 1p each (2015: 805,800)	-	8
Nil C ordinary shares of 1p each (2015: 1,129,881)	-	11
168,798,349,800 R ordinary shares of 0.00001p	17	-
Nil Deferred ordinary shares of 0.0001p	-	-
Nil S ordinary shares of 0.006p	-	-
	<u>17</u>	<u>21</u>

Reserves of the Group and Company represent the following:

Share Premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Other reserve

This represents the differences arising on consolidation following the group reorganisation.

Submin Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

19 SALE OF BUSINESS AND DISCONTINUED OPERATIONS

In 2016, the Group entered into a sale agreement to dispose of its entire shareholding in Ministry of Sound Recordings Limited for a consideration of £67m. The disposal completed on 10 August 2016, on which date control passed to the acquirer generating a profit on disposal of £62.8m. The assets and liabilities at the date of disposal were:

	£'000
Intellectual property	5,324
Stock	211
Trade and other debtors	6,380
Total assets of the disposal group	<u>11,915</u>
Trade and other payables	(7,688)
Total liabilities associated with the disposal group	<u>(7,688)</u>
Net assets of the disposal group	<u>4,227</u>

20 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group and Company	
	2016	2015
	£000	£000
Land and buildings		
- Within one year	386	377
- Between one and five years	1,270	1,320
- After 5 years	840	1,120

21 ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the company is ultimately controlled by Intertrust Secretaries (Jersey) Limited in its capacity as trustee of the Michael Wigram Settlement, by virtue of a controlling shareholding in Submin Holdings Limited.

22 RELATED PARTY TRANSACTIONS

The company has taken advantage of the FRS 102 exemption from disclosures applicable to group undertakings where 100% of the voting rights are controlled within the group.

Significant related party balances and transactions for the group are discussed below; all transactions are on an arms length basis and unless otherwise stated, are in the normal course of business. Interest has been charged on the loan to Ministry of Sound Group Limited, but on no other balances.

Amounts owed from group undertakings due within one year

At 31 December 2016, the amount due from Music Fitness Experience Limited to Ministry of Sound Group Limited was £340,860 (2015: £45,911).

23. POST BALANCE SHEET EVENTS

On 31st August Ministry of Sound Group Ltd paid a deposit of £600,000 in relation to a property leasehold.