

DIPLOMAT MUSIC LIMITED
(Registered in England No 875521)

DIRECTORS' REPORT AND AUDITED ACCOUNTS

30TH JUNE 2012



DIPLOMAT MUSIC LIMITED

(Registered number 875521)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2012

The directors submit their report together with the financial statements of the company for the year ended 30th June 2012

1 RESULTS AND DIVIDENDS

The profit for the year is set out in the profit and loss account on page four. The directors declared a dividend of £40,000 in respect of the year ended 30th June 2012 (2011 – Nil)

2 PRINCIPAL ACTIVITY

The principal activity of the company during the year continued to be music publishing. The directors do not anticipate any change in the future.

3 DIRECTORS

The directors of the company during the year were

J M Dyball
J R Manners
M A Lavin

4 DIRECTORS' INTEREST IN SHARE CAPITAL

At no time during the year did any director have any interest in the shares of the company. There has been no movement in directors' interests since 1st July 2012.

5 AUDITORS

Elliotts Shah have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

6 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Report of the Directors 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 judgements and 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.

DIPLOMAT MUSIC LIMITED

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2012

(Continued)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

BY ORDER OF THE BOARD



M A LAVIN
Director

Date 19-3-13

Report of the Independent Auditors to the Shareholders of Diplomat Music Limited

We have audited the financial statements of Diplomat Music Limited for the year ended 30 June 2012 on pages four to seven. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2012 and of its results 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 Report of the Directors 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 are not entitled to prepare the financial statements and the Report of the Directors in accordance with the small companies regime.

Nilesh Shah (Senior Statutory Auditor)
for and on behalf of Elliotts Shah
Statutory Auditor
2nd Floor, York House
23 Kingsway
London
WC2B 6UJ

Date **20 March 2013**

Elliotts Shah Statutory Auditors

DIPLOMAT MUSIC LIMITED
 (Registered number 875521)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2012

	Notes	2012 £	2011 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		843	720
Operating loss	2	(843)	(720)
Interest receivable		31	16
Other non operating income		-	202
Profit / (loss) on ordinary activities before tax		(812)	(502)
Tax on profit/(loss) on ordinary activities	3	-	-
Profit / (loss) on ordinary activities after tax		(812)	(502)

The notes form part of these financial statements

DIPLOMAT MUSIC LIMITED

(Registered number 875521)

BALANCE SHEET**AT 30TH JUNE 2012**

	Notes	2012 £	2011 £
Current assets Debtors	4	30,758	61,671
		<u> </u>	<u> </u>
		30,758	61,671
Creditors amounts falling due within one year	5	(20,720)	(10,303)
		<u> </u>	<u> </u>
Net current assets		10,038	51,352
		<u>=====</u>	<u>=====</u>
Capital and reserves			
Share capital	6	100	100
Profit and loss Account		9 938	51 252
		<u> </u>	<u> </u>
Shareholders' funds	7	10,038	51,352
		<u>=====</u>	<u>=====</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board of directors on 19-3-13 and were signed on its behalf by



M A LAVIN
Director

The notes form part of these financial statements

DIPLOMAT MUSIC LIMITED

(Registered number 875521)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2012

1 ACCOUNTING POLICIES

Accounting convention

These accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents gross royalty income. Credit is taken for royalty income which has been received or declared by users prior to the year end.

2 OPERATING LOSS

This is stated after charging,

	2012	2011
	£	£
Administration expenses		
Auditors' remuneration	723	720
	<u> </u>	<u> </u>

3 TAX ON PROFITS ON ORDINARY ACTIVITIES

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2012 nor for the year ended 30 June 2011.

4 DEBTORS

	2012	2011
	£	£
Related company – Warner/Chappell Music Ltd	30,758	-
Sundry debtor	-	61,671
	<u> </u>	<u> </u>
	30,758	61,671
	<u>=====</u>	<u>=====</u>

5 CREDITORS amounts falling due within one year

	2012	2011
	£	£
Related company – Warner/Chappell Music Ltd	-	10,104
Related company – Diplomat Music Inc	20,000	-
Accruals	720	717
	<u> </u>	<u> </u>
	20,720	10,821
	<u>=====</u>	<u>=====</u>

DIPLOMAT MUSIC LIMITED

(Registered number 875521)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2012**(Continued)****6 SHARE CAPITAL**

	2012 £	2011 £
Allotted, called up and fully paid		
50 'A' shares of £1 each	50	50
50 'B' shares of £1 each	50	50
	<u>100</u>	<u>100</u>

The 50 'A' shares are owned by Diplomat Music Inc, and the 50 'B' shares are owned by Warner/Chappell Music International Limited

7 RECONCILIATION OF SHAREHOLDERS' FUND AND RESERVES

	Capital £	Reserves £	Total £
Balance as at 1 July 2011	100	50 750	50 850
Dividends	-	(40,000)	(40,000)
Profit / (loss) for the year	-	(812)	(812)
Balance as at 30 June 2012	<u>100</u>	<u>9,938</u>	<u>10,038</u>

8 RELATED PARTY DISCLOSURES

As at 30 June 2012, an amount of £30,758 was due from Warner/Chappell Music Limited a company related to Warner/Chappell Music International Limited, the holders of the 'B' shares (2011 £10 104 was due to Warner/Chappell Music Limited)

Also at 30 June 2012, an amount of £20,000 was due to Diplomat Music Inc, the owner of the 50 'A' shares, in relation to dividends declared in the year (2011 nil)