

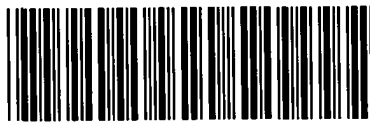
Registered number: 08727321

Sound Moves Limited

Directors' Report and Financial Statements

for the year ended 31 December 2016

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Sound Moves Limited

Company Information

Directors

M S Corr
D R Wood

Registered number

08727321

Registered office

Third Floor
24 Chiswell Street
London
EC1Y 4YX

Independent auditors

Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Sound Moves Limited

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Sound Moves Limited

Directors' Report for the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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.

Principal activity

The company's principal activity during the year was that of renting its property to a fellow group undertaking.

Results and dividends

The profit for the year, after taxation, amounted to £99,379 (2015 - £105,182).

The directors do not recommend the payment of a dividend for the year ended 31 December 2016 (2015: £nil)

Directors

The directors who served during the year were:

M S Corr
D R Wood

Future developments

The company has no plans for any significant developments.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Sound Moves Limited

**Directors' Report (continued)
for the year ended 31 December 2016**

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16 AUGUST 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M S Corr', is written over a horizontal line.

M S Corr
Director

Sound Moves Limited

Independent Auditors' Report to the Shareholders of Sound Moves Limited

We have audited the financial statements of Sound Moves Limited for the year ended 31 December 2016, set out on pages 5 to 12. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 Auditors

As explained more fully in the directors' responsibilities statement on page 1, 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 Financial Reporting Council'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 directors' report 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 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 2016 and of its profit or 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, based on the work undertaken in the course of the audit, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

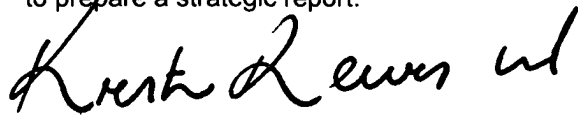
Sound Moves Limited

Independent Auditors' Report to the Shareholders of Sound Moves Limited (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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Rodney Sutton BA ACA FCCA CA (SA) (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

London
Date:

24 August 2017

Sound Moves Limited

Statement of Comprehensive Income for the year ended 31 December 2016

	2016 £	2015 £
Turnover	192,500	192,500
Gross profit	192,500	192,500
Administrative expenses	(10,524)	(7,370)
Operating profit	181,976	185,130
Interest payable and expenses	(74,357)	(79,047)
Profit before tax	107,619	106,083
Tax on profit	(8,240)	(901)
Profit for the year	99,379	105,182

There was no other comprehensive income for 2016 (2015: £NIL).

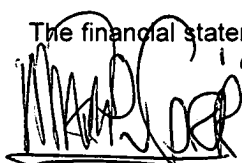
Sound Moves Limited
Registered number: 08727321

Balance Sheet
as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investment property	5	2,250,000	2,250,000
Current assets			
Debtors: amounts falling due within one year	6	57,750	-
Cash at bank and in hand		171,863	164,430
		<u>229,613</u>	<u>164,430</u>
Creditors: amounts falling due within one year	7	(175,932)	(156,834)
Net current assets		<u>53,681</u>	<u>7,596</u>
Total assets less current liabilities		<u>2,303,681</u>	<u>2,257,596</u>
Creditors: amounts falling due after more than one year	8	(1,766,605)	(1,807,861)
Provisions for liabilities			
Deferred tax		(34,074)	(46,112)
Net assets		<u><u>503,002</u></u>	<u><u>403,623</u></u>
Capital and reserves			
Called up share capital		1	1
Other reserves		245,739	233,701
Profit and loss account		257,262	169,921
		<u><u>503,002</u></u>	<u><u>403,623</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 AUGUST 2017.



M S Corr
Director

The notes on pages 8 to 12 form part of these financial statements.

Sound Moves Limited

Statement of Changes in Equity for the year ended 31 December 2016

	Called up share capital	Non- distributable reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	1	233,701	64,739	298,441
Profit for the year	-	-	105,182	105,182
At 1 January 2016	1	233,701	169,921	403,623
Profit for the year	-	-	99,379	99,379
Transfer to/from profit and loss account	-	12,038	(12,038)	-
At 31 December 2016	1	245,739	257,262	503,002

Share capital

This represents the nominal value of shares that have been issued by the company.

Non-distributable reserve

The reserve represents non-distributable fair value movements on investment properties, less corresponding tax provisions.

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders and removing any non-distributable fair value movements and corresponding tax provisions.

Sound Moves Limited

Notes to the Financial Statements for the year ended 31 December 2016

1. Company information

Sound Moves Limited is a limited liability company incorporated in England, the company's registered number is 08727321. The address of the company's principal place of business is Abbeygate House, Challenge Road, Ashford, Middlesex, TW15 1AX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably, and;
- it is probable that the company will receive the consideration due under the contract.

2.3 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and is otherwise compliant with the Companies Act 2006. If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, depreciation is only one of many factors reflected in the annual valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Notes to the Financial Statements
for the year ended 31 December 2016**

2. Accounting policies (continued)

2.5 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.6 Financial instruments

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

**Notes to the Financial Statements
for the year ended 31 December 2016**

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgments, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgment has had the most significant impact on amounts recognised in the financial statements:

Investment properties

The company holds investment property with fair value of £2,250,000 at the year end (see note 5). In order to determine the fair value of investment property the company has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Sound Moves Limited

Notes to the Financial Statements for the year ended 31 December 2016

4. Employees

The average monthly number of employees, including directors, during the year was 0 (2015 - 0).

5. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	2,250,000
At 31 December 2016	2,250,000

The 2016 valuations were made by Matthews & Goodman a RICS registered entity, on an open market value for existing use basis.

If the investment property had been accounted for under the historic cost accounting rules, the properties would have been measured at £1,970,187.

6. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	57,750	-

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	80,809	78,345
Trade creditors	1,560	1,560
Amounts owed to group undertakings	37,479	11,705
Corporation tax	-	1,200
Taxation and social security	5,069	9,365
Accruals and deferred income	51,015	54,659
	175,932	156,834

Sound Moves Limited

Notes to the Financial Statements for the year ended 31 December 2016

8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	1,102,134	1,184,639
Amounts owed to group undertakings	664,471	623,222
	<u>1,766,605</u>	<u>1,807,861</u>

Secured loans

Bank loans are secured by way of a first legal charge over the company's property, a debenture over the assets of the company and a £1,408,000 guarantee with Sound Moves (UK) Limited, supported by a debenture.

Amounts owed to group undertakings are repayable in full by February 2029. Interest is accrued on the loan at a rate of 7.5%. There are no set installment payments.

9. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	80,809	78,345
Amounts falling due 1-2 years		
Bank loans	83,350	80,809
Amounts falling due 2-5 years		
Bank loans	266,106	257,994
Amounts falling due after more than 5 years		
Bank loans repayable by installments	<u>752,678</u>	<u>845,836</u>

10. Controlling party

The company's immediate parent undertakings is Rich Forwarding Limited of Third Floor, Chiswell Street, London, EC1Y 4YX. Consolidated financial statements of Rich Forwarding Limited are publicly available from the Registrar of Companies.