

Company Registration No. 3736163 (England and Wales)

SAREGAMA PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



SAREGAMA PLC

COMPANY INFORMATION

Director	G B Aayeer
Secretary	N Nagpure
Company number	3736163
Registered office	Unit 14 Europa Studios Victoria Road London NW10 6ND
Auditor	FSPG 21 Bedford Square London WC1B 3HH
Business address	Unit 14 Europa Studios Victoria Road London NW10 6ND

SAREGAMA PLC

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SAREGAMA PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The director presents the strategic report for the year ended 31 March 2017.

Fair review of the business

The company's turnover increased to £1,077,552 (2016: £759,559). The gross profit margin for the period increased to 29% compared to 25% in 2016. The losses after taxation decreased by £14,268 amounting to £61,352. The factors responsible for the decrease in losses were the decision of the company to enter new market and new business venture.

Principal risks and uncertainties

The directors have a policy of continuous identification and review of key business risks and uncertainties. While the revenues from sales in physical formats of music continues to drop due to a significant shift in consumer preferences, the company is continuously exploring newer geographies and sources for increasing its publishing income.

On behalf of the board

G B Aayeer
Director
22 May 2017

SAREGAMA PLC

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The director presents his annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company continued to be that of the selling of predominantly Indian music and publishing of music in key international markets through traditional and modern distribution channels.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

G B Aayeer

P K Mohapatra

(Deceased 13 March 2017)

Results and dividends

The results for the year are set out on page 7.

The loss for the year, after taxation, amounted to £61,093.

The directors recommend that no final dividend be paid in respect of the year under review.

Financial instruments

Liquidity risk

The company's policy throughout the year has been to maintain the cash flow position within the parameters set out internally at the beginning of the year. The liquidity of the company is limited to by available cash held by the company. At the balance sheet date the company held cash of £309,196 (2016: £121,064).

Foreign currency risk

The company is moderately exposed to the risk of fluctuations on exchange rates due to its trading in foreign countries. The risk is managed through a discipline of operating between budgeted rates of purchases and sales.

Credit risk

The company's exposure to credit risk is moderate and it has no significant concentrations of credit risk. The company's credit risk is managed through a mixtures of initiatives such as obtaining post dated cheques, entering into legally sound and enforceable contracts, monitoring of credit exposure within the firm limits fixed for various customers. The company monitors credit risk closely and considers that its current policies meet its objectives of managing exposure to credit risk.

Future developments

The company's strategy is to focus on the development of growth areas especially the digital music market. With the introduction of 4G data services, popularity and prominence of digital distribution of music with mobile and broadband is expected to grow significantly.

Auditor

In accordance with the company's articles, a resolution proposing that FSPG be re-appointed as auditors of the company will be put at a General Meeting.

SAREGAMA PLC

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

G B Aayeer

Director

22 May 2017

SAREGAMA PLC

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

SAREGAMA PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAREGAMA PLC

We have audited the financial statements of Saregama PLC for the year ended 31 March 2017 set out on pages 7 to 19. 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), including FRS 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 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 director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 March 2017 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.

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the continue support of the parent company. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

SAREGAMA PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SAREGAMA PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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.

David Tropp (Senior Statutory Auditor)
for and on behalf of FSPG

22 May 2017

Chartered Accountants
Statutory Auditor

21 Bedford Square
London
WC1B 3HH

SAREGAMA PLC

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	1,077,552	759,559
Cost of sales		(766,182)	(573,322)
Gross profit		<u>311,370</u>	<u>186,237</u>
Distribution costs		(63,764)	(3,413)
Administrative expenses		(308,699)	(258,185)
Loss before taxation		<u>(61,093)</u>	<u>(75,361)</u>
Taxation	6	-	-
Loss for the financial year		<u>(61,093)</u>	<u>(75,361)</u>
Retained earnings at 1 April 2016		(2,531,380)	(2,456,019)
Retained earnings at 31 March 2017		<u><u>(2,592,473)</u></u>	<u><u>(2,531,380)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

SAREGAMA PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	7		200,000		300,000
Current assets					
Stocks	10	959		-	
Debtors	11	183,439		197,326	
Cash at bank and in hand		309,196		121,064	
		<u>493,594</u>		<u>318,390</u>	
Creditors: amounts falling due within one year	12	<u>(795,104)</u>		<u>(658,807)</u>	
Net current liabilities			<u>(301,510)</u>		<u>(340,417)</u>
Total assets less current liabilities			<u>(101,510)</u>		<u>(40,417)</u>
Capital and reserves					
Called up share capital	13	99,850		99,850	
Share premium account		2,391,113		2,391,113	
Profit and loss reserves		<u>(2,592,473)</u>		<u>(2,531,380)</u>	
Total equity			<u>(101,510)</u>		<u>(40,417)</u>

The financial statements were approved by the board of directors and authorised for issue on 22 May 2017 and are signed on its behalf by:

G B Aayeer
Director

Company Registration No. 3736163

SAREGAMA PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	17	188,132		45,512	
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents		188,132		45,512	
Cash and cash equivalents at beginning of year		121,064		75,552	
Cash and cash equivalents at end of year		309,196		121,064	

SAREGAMA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Saregama PLC is a private company limited by shares incorporated in England and Wales. The registered office is Unit 14, Europa Studios, Victoria Road, London, NW10 6ND.

1.1 Accounting convention

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 Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared 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. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of the assumption depends upon the continued financial support of the parent company.

If the company were unable to continue in existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and to provide for any further liabilities that might arise.

1.3 Turnover

Turnover represents amounts receivable for royalty income, music events and sale of music discs.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Copyrights

Over their estimated useful lives

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Company website	20% straight line
Fixtures, fittings & equipment	15% straight line

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Stocks

Stock includes music cards which is valued at cost.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

SAREGAMA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover		
Royalties	1,077,320	759,559
Miscellaneous income	232	-
	<u>1,077,552</u>	<u>759,559</u>

Turnover analysed by geographical market

	2017 £	2016 £
UK and Europe	461,635	435,380
Rest of the World	615,917	324,179
	<u>1,077,552</u>	<u>759,559</u>

4 Operating loss

	2017 £	2016 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	832	(2,204)
Fees payable to the company's auditors for the audit of the company's financial statements	9,000	9,000
Amortisation of intangible assets	100,000	100,000
Cost of stocks recognised as an expense	731,878	544,433
Operating lease charges	23,610	18,416
	<u>865,320</u>	<u>1,204,153</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Management	2	2
Selling and distribution	1	1
	<u>3</u>	<u>3</u>
	<u><u>3</u></u>	<u><u>3</u></u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	78,445	80,846
Social security costs	6,598	7,948
	<u>85,043</u>	<u>88,794</u>
	<u><u>85,043</u></u>	<u><u>88,794</u></u>

SAREGAMA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Loss before taxation	(61,093)	(75,361)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(12,219)	(15,072)
Permanent capital allowances in excess of depreciation	(76)	(93)
Depreciation on assets not qualifying for tax allowances	20,000	20,000
Other Tax adjustment	(7,705)	(4,835)
Tax expense for the year	-	-

The company has estimated losses of £928,926 (2016: £967,450) available for carry forward against future trading profits.

7 Intangible fixed assets

	Copyrights £
Cost	
At 1 April 2016 and 31 March 2017	2,052,660
Amortisation and impairment	
At 1 April 2016	1,752,660
Amortisation charged for the year	100,000
At 31 March 2017	1,852,660
Carrying amount	
At 31 March 2017	200,000
At 31 March 2016	300,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

8 Tangible fixed assets

	Company website	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2016 and 31 March 2017	89,367	39,751	129,118
Depreciation and impairment			
At 1 April 2016 and 31 March 2017	89,367	39,751	129,118
Carrying amount			
At 31 March 2017	-	-	-
At 31 March 2016	-	-	-

9 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	183,439	197,326
Carrying amount of financial liabilities		
Measured at amortised cost	790,443	655,773

10 Stocks

	2017 £	2016 £
Finished goods and goods for resale	959	-

11 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	540	9,733
Amounts due from group undertakings	179,538	179,538
Other debtors	3,361	8,055
	183,439	197,326

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	18,994	280
Amount due to parent undertaking	738,932	614,730
Other taxation and social security	4,661	3,034
Other creditors	20,917	19,422
Accruals and deferred income	11,600	21,341
	<u>795,104</u>	<u>658,807</u>

13 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
99,850,000 Ordinary shares of 0.1p each	<u>99,850</u>	<u>99,850</u>

14 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for its business premises.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	<u>15,097</u>	<u>31,567</u>

15 Related party transactions

The company incurred royalty charges of £731,878 (2016: £544,433) from Saregama India Limited during the year. At the balance sheet date, the company owed £738,932 (2016: £614,730) to Saregama India Limited, the parent company.

At the balance sheet date, the company was owed £179,538 (2016: £179,538) by RPG Global Music Limited, a fellow subsidiary.

16 Controlling party

The ultimate controlling party is Saregama India Limited, a company incorporated in India, who own 76.41% of the issued share capital of Saregama Plc.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

17 Cash generated from operations	2017 £	2016 £
Loss for the year after tax	(61,093)	(75,361)
Adjustments for:		
Amortisation and impairment of intangible assets	100,000	100,000
Movements in working capital:		
(Increase) in stocks	(959)	-
Decrease/(increase) in debtors	13,887	(14,608)
Increase in creditors	136,297	35,481
Cash generated from operations	<u>188,132</u>	<u>45,512</u>

SAREGAMA PLC

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

		2017		2016
	£	£	£	£
Turnover				
Royalties received		1,077,320		759,559
Miscellaneous income		232		-
		<hr/>		<hr/>
		1,077,552		759,559
Cost of sales				
Purchases	732,837		544,433	
Closing stock of finished goods	(959)		-	
Subcontract labour	34,304		28,889	
	<hr/>		<hr/>	
		(766,182)		(573,322)
Gross profit		<hr/>		<hr/>
		311,370		186,237
Distribution costs	63,764		3,413	
Administrative expenses	308,699		258,185	
	<hr/>		<hr/>	
		(372,463)		(261,598)
Operating loss		<hr/>		<hr/>
		(61,093)		(75,361)
		<hr/>		<hr/>

SAREGAMA PLC

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	£	£
Distribution costs		
Advertising	63,764	3,413
	<hr/>	<hr/>
	63,764	3,413
	<hr/> <hr/>	<hr/> <hr/>
Administrative expenses		
Wages and salaries	78,445	80,846
Social security costs	6,598	7,948
Rent re operating leases	23,610	18,088
Power, light and heat	499	246
Property repairs and maintenance	-	10
Premises insurance	725	642
Leasing - plant and machinery	-	328
Travelling expenses	14,381	9,564
Professional subscriptions	3,105	2,362
Legal and professional fees	55,336	23,188
Accountancy	2,000	2,400
Audit fees	9,000	9,000
Bank charges	1,404	1,075
Printing and stationery	8,982	892
Telecommunications	2,663	2,621
Sundry expenses	1,119	1,179
Depreciation	100,000	100,000
Profit or loss on foreign exchange	832	(2,204)
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	308,699	258,185
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