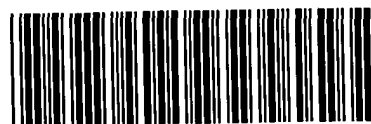


**COMPANY REGISTRATION NUMBER 01501587**

**HYPERION RECORDS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**HYPERION RECORDS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

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**HYPERION RECORDS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 MARCH 2023**

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<b>THE BOARD OF DIRECTORS</b>	AM Barker DRJ Sharpe
<b>COMPANY SECRETARY</b>	A Abioye
<b>REGISTERED OFFICE</b>	4 Pancras Square London N1C 4AG
<b>AUDITOR</b>	Nigel Wilson & Co Statutory Auditor 4th Floor 100 Fenchurch Street London EC3M 5JD United Kingdom

# **HYPERION RECORDS LIMITED**

## **STRATEGIC REPORT**

### **YEAR ENDED 31 MARCH 2023**

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The directors present their strategic report for the company for the year ended 31 March 2023.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was the sale and distribution of recorded music.

The result and position of the company as at and for the year ended 31 March 2023 are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity on pages 10, 11 and 12 respectively. The result and position of the company were in line with directors' expectations.

#### **RESULTS AND DIVIDENDS**

The company's profit for the financial year was £74,698 (2022 - £17,305). The retained profit for the year has been transferred to reserves.

A dividend payment was made during for the year ended 31 March 2023 of £222,550 (2022 - £6,000).

#### **KEY PERFORMANCE INDICATORS**

The company uses a variety of performance indicators to review historical performance and plan for the future. The key indicators are turnover and gross profit margin, as described below.

##### ***Turnover***

Turnover levels decreased in 2023, with a fall of 22% compared to the prior year.

##### ***Gross profit margin***

The company's gross profit margin decreased from 59% to 52% this year.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company uses a variety of financial instruments including cash, equity instruments and various instruments such as artist advances, trade receivables and trade payables that arise directly from its operations.

The directors are of the view that the main risks arising from the company's financial instruments are exchange rate risk, interest rate risk, liquidity risk and credit risk, as summarised below:

##### ***Exchange rate risk***

Exchange rate fluctuation presents a risk because some sales are priced in overseas currencies, and certain balances are denominated in currencies other than Sterling. The directors do not consider that the potential downside is significant enough to require hedging but continue to monitor the potential risk.

##### ***Liquidity risk***

The company manages its financial risk by ensuring liquidity is sufficient to meet future needs, and that sufficient funding is in place before any new commitments are entered into. The cash position and cash flow forecasts are monitored by management on a regular basis.

##### ***Credit risk***

The principal credit risk arises from trade debtors. Management approve credit terms for all new customers, and regularly review the credit position of existing accounts.

**HYPERION RECORDS LIMITED**  
**STRATEGIC REPORT (continued)**  
**YEAR ENDED 31 MARCH 2023**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The company is faced with similar risks and uncertainties as other companies operating in the recorded music business, broadly:

- competition from alternative entertainment products;
- the threat of a devalued product due to piracy and the illegal use of music;
- uncertainty as to whether the growth in the subscription services market will continue in the longer term.

All risks and uncertainties are regularly monitored by the Board of Directors of the company.

***Climate change***

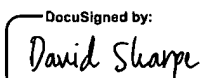
Whilst the company is not considered to be part of a heavy emitting industry, the directors recognise the importance of reducing its impacts and moving towards being a zero carbon operation.

The company, as part of Universal Music Group's UK operations, has recently signed up to the Science Based Targets Initiative which will provide a clearly-defined pathway to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proofing business growth.

**FUTURE DEVELOPMENTS**

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

This report was approved by the Board and signed on their behalf by:

DocuSigned by:  
  
8D89DA50B7774E0...  
DRJ Sharpe  
Director

Date: 13 December 2023

# **HYPERION RECORDS LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2023**

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The directors present their report, together with the financial statements and the auditor's report of the company for the year ended 31 March 2023.

They have included the following matters within the strategic report, otherwise required to be disclosed in the directors' report, as they are considered to be of strategic importance to the company.

- Results and dividends;
- Financial risk management objectives and policies;
- Principal risks and uncertainties; and
- Future developments.

#### **DIRECTORS**

The directors who served the company during the year and subsequently were as follows:

AM Barker (Appointed 14 February 2023)

DRJ Sharpe (Appointed 14 February 2023)

SEA Perry (Resigned 14 February 2023)

#### **DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

A qualifying third party indemnity provision remains in force as at the date of approving the directors' report, subject to the provisions of section 236 of the Companies Act 2006. Universal Music Group N.V., the ultimate parent undertaking, maintains a Directors & Officers Liability Programme which indemnifies directors' personal liabilities resulting from alleged wrongful acts committed in the line of their employment.

#### **POLICY ON THE PAYMENT OF CREDITORS**

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

#### **DONATIONS**

The company made no charitable or political donations in either year.

## **HYPERION RECORDS LIMITED**

### **DIRECTORS' REPORT (continued)**

**YEAR ENDED 31 MARCH 2023**

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#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and 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), 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 year. In preparing these financial statements, the directors are 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### **AUDITOR**

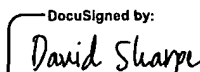
In so far as each of the directors at the date of approving this report are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Pursuant to Section 487 of the Companies Act 2006, Nigel Wilson & Co will be deemed to be appointed in office.

By order of the board

DocuSigned by:  
  
8D88DA50B7774E0...  
DRJ Sharpe

Director

Date: 13 December 2023

Company Registration Number: 01501587

## **HYPERION RECORDS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYPERION RECORDS LIMITED YEAR ENDED 31 MARCH 2023**

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#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **Opinion**

We have audited the financial statements of Hyperion Records Limited (the 'company') for the year ended 31st March 2023 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

- give a true and fair view of the state of the company's affairs as at 31st March 2023 and of its profit 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 requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.



## **HYPERION RECORDS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYPERION RECORDS LIMITED (continued)**

**YEAR ENDED 31 MARCH 2023**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

- give a true and fair view of the state of the company's affairs as at 31st March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

#### **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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

#### **Responsibilities of directors**

As explained more fully in the director's responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **HYPERION RECORDS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYPERION RECORDS LIMITED (continued)**

**YEAR ENDED 31 MARCH 2023**

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with management and from our commercial knowledge and experience of the sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and other relevant regulations.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence and any identified areas were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the company's financial statements to determine if they were any material misstatements, including obtaining an understanding of how fraud might occur within the business.

We also considered the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we carried out the following procedures:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify unusual transactions.
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we have created the following procedures which included but were not limited to:

- Agreeing financial statements disclosures to supporting documentation.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with HMRC and relevant third party sources.

Material misstatements that may arise due to fraud can be more difficult to detect than those arising from error as they may involve deliberate concealment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## **HYPERION RECORDS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYPERION RECORDS LIMITED (continued)**

**YEAR ENDED 31 MARCH 2023**

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#### **Use of our report**

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 the opinions we have formed.

DocuSigned by:

*David Hatchard*

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David Hatchard BA FCA (Senior Statutory Auditor)

Fourth Floor, 100 Fenchurch Street, London, EC3M 5JD

For and on behalf of Nigel Wilson & Co, Statutory Auditor, London, United Kingdom

Date: 13 December 2023

Company Registration Number: 01501587

**HYPERION RECORDS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2023**

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	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
<b>TURNOVER</b>	<b>4</b>	<b>1,205,865</b>	<b>1,525,542</b>
Cost of sales		<b>(575,699)</b>	<b>(618,753)</b>
<b>GROSS PROFIT</b>		<b>630,166</b>	<b>906,789</b>
Administrative expenses		<b>(556,146)</b>	<b>(947,720)</b>
Other operating income	<b>5</b>	<b>12,371</b>	<b>61,993</b>
<b>OPERATING PROFIT</b>		<b>86,391</b>	<b>21,062</b>
Interest receivable and similar income	<b>8</b>	<b>5,677</b>	<b>358</b>
<b>PROFIT BEFORE TAXATION</b>		<b>92,068</b>	<b>21,420</b>
Tax on loss	<b>9</b>	<b>(17,370)</b>	<b>(4,115)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>74,698</b>	<b>17,305</b>
Total other comprehensive gain		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>74,698</b>	<b>17,305</b>

**The notes on pages 13 to 19 form part of these financial statements**

**HYPERION RECORDS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	10	-	9,237
		<u>-</u>	<u>9,237</u>
<b>CURRENT ASSETS</b>			
Inventories	11	546,777	652,835
Debtors: Amounts falling due within one year	12	1,123,612	290,175
Cash at bank		1,199,440	2,202,907
		<u>2,869,829</u>	<u>3,145,917</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	(131,493)	(267,756)
<b>NET CURRENT ASSETS</b>		<u>2,738,336</u>	<u>2,878,161</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,738,336</u>	<u>2,887,398</u>
<b>PROVISIONS FOR LIABILITIES</b>		-	(1,210)
<b>NET ASSETS</b>		<u>2,738,336</u>	<u>2,886,188</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	14	6,000	6,000
Capital redemption reserves		4,000	4,000
Profit and loss account		2,728,336	2,876,188
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>2,738,336</u>	<u>2,886,188</u>

These accounts were approved by the board of directors and authorised for issue on 13 December 2023 and are signed on their behalf by:

DocuSigned by:  
  
 DRJ Sharpe  
 Director

**The notes on pages 13 to 19 form part of these financial statements**

**HYPERION RECORDS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 MARCH 2023**

	<b>Called-up Share Capital £</b>	<b>Capital Redemption Reserve £</b>	<b>Profit &amp; Loss Account £</b>	<b>Total Shareholders' Funds £</b>
Balance brought forward at 1 April 2021	6,000	4,000	2,864,883	2,874,883
<b>Total comprehensive income for the period</b>				
Result for the year	-	-	17,305	17,305
Dividends paid	-	-	(6,000)	(6,000)
	<u>6,000</u>	<u>4,000</u>	<u>2,876,188</u>	<u>2,886,188</u>
Balance brought forward at 1 April 2022	6,000	4,000	2,876,188	2,886,188
<b>Total comprehensive income for the period</b>				
Profit for the year	-	-	74,698	74,698
Dividends paid	-	-	(222,550)	(222,550)
	<u>6,000</u>	<u>4,000</u>	<u>2,728,336</u>	<u>2,738,336</u>
<b>Balance carried forward at 31 March 2023</b>	<b>6,000</b>	<b>4,000</b>	<b>2,728,336</b>	<b>2,738,336</b>

The notes on pages 13 to 19 form part of these financial statements

# HYPERION RECORDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2023

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### 1. GENERAL INFORMATION

Hyperion Records Limited is a private company limited by shares and incorporated in the UK under the Companies Act 2006 and registered in England and Wales. The registered office is 4 Pancras Square, London, N1C 4AG.

The principal activities of the company and the nature of its operations are set out in the strategic report on pages 2 to 3.

### 2. STATEMENT OF COMPLIANCE

The company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### 3. ACCOUNTING POLICIES

#### **Basis of preparation of financial statements**

These financial statements have been prepared on a going concern basis, under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the company. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **FRS 102 - Qualifying exemptions**

The company meets the definition of a qualifying subsidiary entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- from preparing a statement of cash flows and related notes;
- from preparing a reconciliation of the number of shares outstanding from the beginning to the end of the financial year;
- from disclosing related party transactions with wholly owned group companies;
- from disclosing key management personnel compensation; and
- from certain financial instrument disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments*.

This information is included in the consolidated financial statements of the company's parent undertaking, Universal Music Group N.V., copies of which can be obtained from Universal Music Group, 's-Gravelandseweg 80, 1217 EW Hilversum, The Netherlands.

# **HYPERION RECORDS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **YEAR ENDED 31 MARCH 2023**

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### **3. ACCOUNTING POLICIES (continued)**

#### **Going concern**

The Company's business activities, together with the factors likely to affect future developments, its financial exposures and its risk exposures are described above.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Turnover**

Turnover comprises the value of sales of physical goods, digital products, royalty income and services rendered during the year. It is stated net of VAT, discounts and returns.

Turnover from sales of goods is recognised when products are despatched, at which point the significant risks and rewards are considered to be transferred to the customer. Turnover relating to digital products and royalty income is recognised when the products are sold, or if it cannot be reliably estimated, on a receipts basis. Turnover relating to services rendered is recognised once the services have been performed. Royalties payable are charged against the relevant income of the same period.

#### **Property, plant and equipment**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land & Buildings	10% straight line
Plant & Machinery	15% straight line, 33% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.



## **HYPERION RECORDS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **YEAR ENDED 31 MARCH 2023**

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#### **3. ACCOUNTING POLICIES (continued)**

##### **Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

##### **Interest receivable and Interest payable**

Interest payable and similar charges include interest payable, finance charges, unwinding of the discount on provisions, and net foreign exchange losses that are recognised through profit or loss in the statement of comprehensive income.

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest receivable and interest payable are recognised in profit or loss as they accrue. Foreign currency gains and losses are reported on a net basis.

##### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised through profit or loss in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associated and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**HYPERION RECORDS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 MARCH 2023****4. TURNOVER**

Turnover by activity is as follows:

	2023 £	2022 £
Sale and distribution of recorded music	1,205,865	1,525,542

**5. OTHER OPERATING INCOME**

	2023 £	2022 £
Net loss on disposal of tangible assets	(5,091)	-
Operating lease rental income	5,752	32,511
Licence fees receivable	455	15,742
Government grants	11,255	13,740
	<u>12,371</u>	<u>61,993</u>

**6. AUDITORS' REMUNERATION**

The auditors' remuneration for the year ended 31 March 2023 was £10,000 (2022 - £10,000) and was borne by another group company in the current year.

**7. PARTICULARS OF EMPLOYEES**

The average number of employees during the year ended 31 March 2023 was 10 (2022 - 10).

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2023 £	2022 £
Bank interest receivable	5,677	358
	<u>5,677</u>	<u>358</u>

**HYPERION RECORDS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2023**

**9. TAX ON PROFIT**

**(a) Analysis of tax charge in the year**

	2023 £	2022 £
<b>Current tax:</b>		
<b>UK Taxation</b>		
In respect of the year		
UK Corporation tax based on the results for the year at 19.00% (2022 - 19.00%)	(19,168)	(4,115)
Total current tax	<u>(19,168)</u>	<u>(4,115)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	2,180	-
Adjustments in respect of prior periods	(382)	-
Total deferred tax	<u>1,798</u>	<u>-</u>
Tax on profit	<u>(17,370)</u>	<u>(4,115)</u>

**9. TAX ON PROFIT (continued)**

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 19.00% (2022 - 19.00%).

Under the Finance Act 2021, the main rate of corporation tax was increased from 19% to 25% with effect from 1 April 2023. This change was substantively enacted for UK GAAP purposes on 24 May 2021. Deferred tax assets and liabilities are measured at the rate that is enacted and expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	2023 £	2022 £
Profit before taxation	92,068	21,420
Profit at the standard rate of UK Corporation tax of 19.00% (2022 - 19.00%)	17,493	4,070
Expenses not deductible for tax purposes	18	45
Adjustments in respect of previous periods	382	-
Impact of statutory rate change	(523)	-
Current tax charge for the financial year	<u>17,370</u>	<u>4,115</u>

**(c) Factors that may affect future tax charges**

The company has a total unutilised tax losses carried forward estimated at £Nil (2022 - £Nil), which may reduce future tax charges. No deferred tax asset has been recognised in respect of these losses due to uncertainty as to their future recoverability.

**HYPERION RECORDS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 MARCH 2023****10. PROPERTY, PLANT & MACHINERY**

	<b>Land &amp; Buildings £</b>	<b>Plant &amp; Machinery £</b>	<b>Total £</b>
<b>COST</b>			
At 1 April 2022	132,758	559,807	692,565
Additions	-	2,905	2,905
Disposals	(132,758)	(321,772)	(454,530)
<b>At 31 March 2023</b>	<b>-</b>	<b>240,940</b>	<b>240,940</b>
<b>DEPRECIATION</b>			
At 1 April 2022	132,758	550,569	683,327
Charge for the year	-	7,053	7,053
Disposals	(132,758)	(316,682)	(449,440)
<b>At 31 March 2023</b>	<b>-</b>	<b>240,940</b>	<b>240,940</b>
<b>NET BOOK VALUE</b>			
At 31 March 2023	-	-	-
At 31 March 2022	-	9,237	9,237

**11. INVENTORIES**

	<b>2023 £</b>	<b>2022 £</b>
Finished goods	<b>546,777</b>	652,835

The difference between the purchase price or production cost of stock and their replacement cost is not material.

**12. DEBTORS: Amounts due within one year**

	<b>2023 £</b>	<b>2022 £</b>
Trade debtors	176,522	89,555
Other debtors	935,063	200,620
Prepayments	11,439	-
Deferred taxation (Note 9)	588	-
	<b>1,123,612</b>	<b>290,175</b>

**HYPERION RECORDS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2023**

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**13. CREDITORS: Amounts falling due within one year**

	2023 £	2022 £
Trade creditors	11,594	73,419
Corporation tax	19,168	-
Other taxation and social security	34,223	20,437
Other creditors	66,508	173,900
	<u>131,493</u>	<u>267,756</u>

**14. CALLED-UP SHARE CAPITAL**

**Allotted, called up and fully paid:**

	2023 No	£	2022 No	£
Ordinary A shares of £ each	6,000	6,000	6,000	6,000
	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

**15. COMMITMENTS UNDER OPERATING LEASES**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within 1 year	-	22,744
	<u>-</u>	<u>22,744</u>

**16. ULTIMATE PARENT COMPANY**

The immediate parent undertaking at is Universal Music Operations Limited. The ultimate parent undertaking and controlling party is Universal Music Group N.V., a company incorporated and domiciled in the Netherlands.

The smallest and largest group in which the result of the company is consolidated is that headed by Universal Music Group N.V.. Copies of its annual report in English may be obtained from:

Universal Music Group  
's-Gravelandseweg 80  
1217 EW Hilversum  
The Netherlands