

Registered number: 01863098

**IQ MUSIC LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**IQ MUSIC LIMITED**  
**REGISTERED NUMBER: 01863098**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	4	94,667	134,784
Debtors: amounts falling due within one year	4	475,747	500,202
Cash at bank and in hand	5	718,566	324,444
		<u>1,288,980</u>	<u>959,430</u>
Creditors: amounts falling due within one year	6	(1,366,070)	(1,133,960)
<b>Net current liabilities</b>		<u>(77,090)</u>	<u>(174,530)</u>
<b>Total assets less current liabilities</b>		<u>(77,090)</u>	<u>(174,530)</u>
<b>Net liabilities</b>		<u><u>(77,090)</u></u>	<u><u>(174,530)</u></u>

**IQ MUSIC LIMITED**  
**REGISTERED NUMBER: 01863098**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

Note	2021 £	2020 £
<b>Capital and reserves</b>		
Called up share capital	100	100
Profit and loss account	(77,190)	(174,630)
	<u>(77,090)</u>	<u>(174,530)</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.


The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2022.

DocuSigned by:  
  
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**S N Chandler**  
 Director

The notes on pages 3 to 8 form part of these financial statements.

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**IQ MUSIC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

IQ Music Limited is a private limited company, limited by shares, incorporated in England and Wales. The registered office is 1st Floor 29 Parliament Street, Liverpool L8 5RN. The company number is 01863098.

**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 following principal accounting policies have been applied:

**2.2 Going concern**

The company is supported by its parent company, Sentric Music Limited. Accordingly, the directors consider the business to be a going concern, and these accounts are prepared on the going concern basis.

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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**IQ MUSIC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)****2.4 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;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Finance costs**

Finance costs are charged to profit or loss 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.

**2.7 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.8 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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**IQ MUSIC LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 reporting 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 reporting date.

**2.10 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.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 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.

**2.13 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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**IQ MUSIC LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)****2.13 Financial instruments (continued)**

are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of comprehensive income.

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.

**3. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

**4. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Royalty advances	<b>94,667</b>	121,784
Deferred tax asset	-	13,000
	<b>94,667</b>	134,784
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	<b>41,117</b>	88,594
Royalty advances	<b>31,556</b>	40,594
Other debtors	-	9,564
Prepayments and accrued income	<b>403,074</b>	361,450
	<b>475,747</b>	500,202

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**IQ MUSIC LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**5. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	718,566	324,444
Less: bank overdrafts	(21)	-
	<u>718,545</u>	<u>324,444</u>

**6. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Bank overdrafts	21	-
Trade creditors	894,411	665,853
Amounts owed to group undertakings	407,933	382,278
Other taxation and social security	41,669	49,769
Accruals and deferred income	22,036	36,060
	<u>1,366,070</u>	<u>1,133,960</u>

**7. Financial instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u>718,566</u>	<u>324,444</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

**8. Contingent liabilities**

The company has entered into a cross guarantee with other group companies such that it will guarantee certain liabilities should they be unable to meet those liabilities as and when they fall due. At 31 December 2021 the potential liability was £408,092 (2020 - £408,092).



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**IQ MUSIC LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Not later than 1 year	<b>24,000</b>	<i>24,000</i>
Later than 1 year and not later than 5 years	<b>54,000</b>	<i>78,000</i>
	<u><b>78,000</b></u>	<u><i>102,000</i></u>

**10. Related party transactions**

The company has taken advantage of the exemption under paragraph 33.1A of FRS 102 and has not disclosed transactions with other wholly owned group companies.

**11. Controlling party**

The company is a 100% subsidiary of Sentric Music Limited. The ultimate parent company is Sentric Music Group Limited, both companies are registered in England and Wales.

Accounts of both the parent and ultimate parent company are available from Companies House, Cardiff.

On 4 May 2022, the new ultimate parent company became Utopia Music AG, a company incorporated in Switzerland.