Registered number: 02512549

LONDON MUSIC STREAM LIMITED

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

LONDON MUSIC STREAM LIMITED
REGISTERED NUMBER:02512549

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	5		**39,925**		42,487
Tangible assets	6		**9,378**		8,315
			49,303		50,802
Current assets					
Stocks	7	**91,451**		83,067	
Debtors: amounts falling due within one year	8	**3,115,482**		2,488,455	
Cash at bank	9	**2,676,534**		2,668,551	
		5,883,467		5,240,073	
Creditors: amounts falling due within one year	10	**(1,951,282)**		(1,772,993)	
Net current assets			**3,932,185**		3,467,080
Total assets less current liabilities			**3,981,488**		3,517,882
Net assets			**3,981,488**		3,517,882
Capital and reserves					
Called up share capital	12		**100**		100
Profit and loss account			**3,981,388**		3,517,782
			3,981,488		3,517,882

The company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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 1st Sept 22

E Bielsa
Director

The notes on pages 3 to 13 form part of these financial statements.

LONDON MUSIC STREAM LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	**100**	**2,979,845**	**2,979,945**
Comprehensive income for the year			
Profit for the year	**-**	**1,853,937**	**1,853,937**
Total comprehensive income for the year	**-**	**1,853,937**	**1,853,937**
Contributions by and distributions to owners			
Dividends: Equity capital	**-**	**(1,316,000)**	**(1,316,000)**
Total transactions with owners	**-**	**(1,316,000)**	**(1,316,000)**
At 1 January 2021	**100**	**3,517,782**	**3,517,882**
Comprehensive income for the year			
Profit for the year	**-**	**1,863,606**	**1,863,606**
Total comprehensive income for the year	**-**	**1,863,606**	**1,863,606**
Contributions by and distributions to owners			
Dividends: Equity capital	**-**	**(1,400,000)**	**(1,400,000)**
Total transactions with owners	**-**	**(1,400,000)**	**(1,400,000)**
At 31 December 2021	**100**	**3,981,388**	**3,981,488**

1. General information

The company is a private company, limited by shares and is registered in England and Wales.

The registered office address is Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE.

The principal place of business is 118 Commercial Street, Unit 202, London, E1 6NF.

The principal activity of the company is that of the distribution and marketing of recorded music.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions (continued)

- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of OEE Limited as at 31 December 2021 and those financial statements may be obtained from Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE.

2.3 Going concern

The directors have reviewed the financial circumstances of the company and are satisfied that the company will be able to satisfy its financial obligations for at least 12 months from the date of signature of the financial statements, which have been prepared on the going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound sterling.

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss

Foreign exchange gains and losses are presented in the statement of comprehensive income within administrative expenses.

2. *Accounting policies (continued)*

2.5 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:

Recorded music

Revenue from the physical sale of recorded music, net of a provision for estimated returns and rebates, is recognised upon shipment to third parties, at the shipping point for product sold free on board and on delivery for products sold free on destination.

Revenue from the digital sale of recorded music including royalty streams, sync usage and compilation advances, for which the company has sufficient, accurate and reliable data from certain distributors, is recognised based on the director's estimate at the end of the month in which those sales were made to the final customer. In the absence of such data, revenues are recognised upon notification by the distribution platform (online or mobile music distributor) to the company of a sale to the final customer.

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:
- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 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 balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2. Accounting policies (continued)

2.8 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 balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet, 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Catalogues	-	20 years straight line

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.13 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.

2.14 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities

All recognised financial liabilities are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial liabilities.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

In preparing these financial statements, the directors have made the following judgements:

Determining whether there are indicators of impairment of the company's intangible assets
Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty are as follows:

Stock
Stock provisions are estimated using management judgement based on the success of releases and residual stock.

Revenue recognition
Management's judgement is involved in the estimate of revenue recognition and costs and their completeness.

Parts of the company's revenue and costs are received and paid post the accounting year end and managerial judgement is applied if revenue and costs should be recognised in the current period.

Estimates of revenue earned but received post year end are included in the accounts based upon success of the artist and their releases in the current period, audio visual performance of those releases as well as actuals produced post year end. As at the year end, an estimate of £1,075,739 (2020 - £733,051) was included within revenue using this basis.

An estimate of royalties payable is also included in the accounts based upon revenue recognised in the current period and the rate of pay away to the artists per income stream.

Artist balances
Estimates are necessary in evaluation of contractual performance of an artist for assessing whether any loss provisions are to be made against artist advances and costs incurred on behalf of the artists. The provisions are estimated using managerial judgement and based upon the success of the artist releases and the level of the advance recouped at the balance sheet date.

4. Employees

The average monthly number of employees, excluding the directors, during the year was as follows:

	2021 **No.**	2020 No.
Employees	**2**	2

The average monthly number of directors was 2 (2020 - 2).

5. Intangible assets

	Catalogues £
Cost	
At 1 January 2021	**64,549**
At 31 December 2021	**64,549**
Amortisation	
At 1 January 2021	**22,062**
Charge for the year	**2,562**
At 31 December 2021	**24,624**
Net book value	
At 31 December 2021	**39,925**
At 31 December 2020	42,487

6. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2021	**11,278**
Additions	**4,721**
At 31 December 2021	**15,999**
Depreciation	
At 1 January 2021	**2,963**
Charge for the year	**3,658**
At 31 December 2021	**6,621**
Net book value	
At 31 December 2021	**9,378**
At 31 December 2020	8,315

7. Stocks

	2021 £	2020 £
Finished goods and goods for resale	**91,451**	83,067

8. Debtors

	2021 £	2020 £
Trade debtors	**671,333**	630,331
Amounts owed by group undertakings	**9,321**	-
Other debtors	**802,178**	396,046
Prepayments and accrued income	**1,530,821**	1,224,933
Tax recoverable	**94,576**	231,402
Deferred taxation	**7,253**	5,743
	3,115,482	2,488,455

9. Cash and cash equivalents

	2021 £	2020 £
Cash at bank	**2,676,534**	2,668,551

10. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	**113,722**	220,087
Amounts owed to group undertakings	**545,604**	590,116
Other taxation and social security	**56,189**	106,612
Other creditors	**346,078**	154,558
Accruals and deferred income	**889,689**	701,620
	1,951,282	1,772,993

11. Deferred taxation

	2021
	£
At beginning of year	**5,743**
Profit and loss account movement	**1,510**
At end of year	**7,253**

The deferred tax asset is made up as follows:

	2021	2020
	£	£
Fixed asset timing differences	**7,107**	5,666
Short term timing differences	**146**	77
	7,253	5,743

12. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1 each	**100**	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

13. Contingent liabilities

The company has entered into a cross guarantee, along with other group companies, to secure the banking arrangements of Because Music Holdings Limited. At the balance sheet date, the indebtedness under this arrangement amounted to £3,000,000 (2020 - £4,542,593).

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,671 (2020 - £1,397). Contributions totalling £587 (2020 - £406) were payable to the fund at the balance sheet date and are included in creditors.

15. Related party transactions

The company has taken advantage of FRS 101 - Reduced Disclosure Framework available to the subsidiares which are 100% controlled by the group not to disclose transactions with other group companies of the group qualifying as related parties.

16. Post balance sheet events

Dividends of £150,000 (2020 - £1,400,000) were declared and paid after the balance sheet date.

17. Controlling party

The directors consider the company's ultimate controlling party to be a trust whose potential beneficiaries are family members of director E de Buretel.

The immediate parent company is Because Music Holdings Limited, a company registered in England and Wales. The ultimate parent company is OEE Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by OEE Limited.

18. Auditor's information

The audit report provided to the members of London Music Stream Limited on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed by Richard Gilbert (Senior Statutory Auditor) for and on behalf of SRLV Audit Limited, Chartered Accountants and Statutory Auditor.