

Financial Statements for the Year Ended 31 December 2021

for

Defected Records Limited

Contents of the Financial Statements
for the Year Ended 31 December 2021

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

Defected Records Limited

Company Information
for the Year Ended 31 December 2021

DIRECTORS:

W A Saunders
G Mason

SECRETARY:

Pennsec Limited

REGISTERED OFFICE:

Ground Floor
23 Curtain Road
London
London
EC2A 3LT

REGISTERED NUMBER:

03643252 (England and Wales)

ACCOUNTANTS:

Mansfield & Co Chartered Accountants
55 Kentish Town Road
Camden Town
London
NW1 8NX

Balance Sheet
31 December 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Tangible assets	4		664,957		537,038
CURRENT ASSETS					
Stocks		19,572		10,000	
Debtors	5	5,313,511		2,236,203	
Investments	6	15,000		-	
Prepayments and accrued income		580,071		553,272	
Cash at bank and in hand		<u>2,930,209</u>		<u>1,008,848</u>	
		8,858,363		3,808,323	
CREDITORS					
Amounts falling due within one year	7	<u>8,080,350</u>		<u>2,969,436</u>	
NET CURRENT ASSETS			<u>778,013</u>		<u>838,887</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,442,970		1,375,925
CREDITORS					
Amounts falling due after more than one year	8		(36,461)		(45,602)
PROVISIONS FOR LIABILITIES			(68,881)		-
NET ASSETS			<u>1,337,628</u>		<u>1,330,323</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>1,337,528</u>		<u>1,330,223</u>
SHAREHOLDERS' FUNDS			<u>1,337,628</u>		<u>1,330,323</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2022 and were signed on its behalf by:

W A Saunders - Director

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. **STATUTORY INFORMATION**

Defected Records Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 37 (2020 - 36).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

4. **TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2021	361,015	379,294	740,309
Additions	43,195	273,640	316,835
Disposals	-	(37,503)	(37,503)
At 31 December 2021	<u>404,210</u>	<u>615,431</u>	<u>1,019,641</u>
DEPRECIATION			
At 1 January 2021	25,654	177,617	203,271
Charge for year	79,437	109,479	188,916
Eliminated on disposal	-	(37,503)	(37,503)
At 31 December 2021	<u>105,091</u>	<u>249,593</u>	<u>354,684</u>
NET BOOK VALUE			
At 31 December 2021	<u>299,119</u>	<u>365,838</u>	<u>664,957</u>
At 31 December 2020	<u>335,361</u>	<u>201,677</u>	<u>537,038</u>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21 £	31.12.20 £
Trade debtors	58,395	600,215
Other debtors	<u>5,255,116</u>	<u>1,635,988</u>
	<u>5,313,511</u>	<u>2,236,203</u>

6. **CURRENT ASSET INVESTMENTS**

	31.12.21 £	31.12.20 £
Other	<u>15,000</u>	<u>-</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21 £	31.12.20 £
Bank loans and overdrafts	9,606	4,398
Trade creditors	243,886	298,182
Taxation and social security	728,310	556,999
Other creditors	<u>7,098,548</u>	<u>2,109,857</u>
	<u>8,080,350</u>	<u>2,969,436</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.21	31.12.20
	£	£
Bank loans	<u>36,461</u>	<u>45,602</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>8,371</u>

9. **DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 December 2021 and 31 December 2020:

	31.12.21	31.12.20
	£	£
S Dunmore		
Balance outstanding at start of year	65,847	65,847
Amounts advanced	3,009,401	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>3,075,248</u>	<u>65,847</u>

All loan amounts were repaid within 9 months of the year end.

During the year Mr Dunmore, the director of the company was paid, in addition to his salary from the company. fees on a self employed basis in respect of services as a record producer to the company in the amount of £66,000 (2020 : £66,000). Mr Dunmore also recharged costs in respect of providing accommodation for staff and artistes in the amount of £0 (2020 : £0)

10. RELATED PARTY DISCLOSURES

At the end of the year S Dunmore, a director of Defected Records Limited owned 100% (2020 : 100%) of the issued ordinary share capital of the company. He has the following interests:

Defected Music Limited

S Dunmore is also a director of Defected Music Limited and owned 100% (2020 : 100%) of the issued ordinary share capital of the company at 31 December 2021.

During the year Defected Records Limited recharged Defected Music Limited £205,716 in respect of central overhead (2020 : £137,981) and £0 (2020 : £0) in respect of brand usage.

As at 31 December 2021 the amount due from Defected Music Limited to Defected Records Limited was £200,034 (2020 : £359,872).

ITH Limited

S Dunmore is also a director of ITH Ltd and owned 100% of the issued ordinary share capital of the company at 31 December 2021 (2020 : 100%)

During the year Defected Records Limited recharged direct costs to ITH Limited in the amount of £44,019 (2020 : £23,194) and ITH Limited recharged direct costs to Defected Records Limited in the amount of £90,224 (2020 : £34,033).

During the year Defected Records Limited recharged a share of salaries and overheads in the amount of £773,574 (2020 : £234,104) to ITH Limited. and ITH Limited charged Defected Records Limited promotion fees in the amount of £0 (2020 : £240,000)

As at 31 December 2021 the amount due from ITH Ltd to Defected Records Limited was £1,924,738 (2020 : £1,199,625).

ITH Festivals Limited

S Dunmore is also a director of ITH Festivals Limited and owned 100% of the issued ordinary share capital of the company at 31 December 2021 (2020 : 100%).

During the year Defected Records recharged ITH Festivals Limited the amount of £15,792 (2020 : £2,747) in respect of direct costs.

As at 31 December 2021 the amount due from Defected Records Limited to ITH Festivals Limited was £1,015,504 (2020 : £580,946)

Defected London FSTVL 2019 Ltd (previously ITH Events Limited)

S Dunmore is also a director of Defected London FSTVL 2019 Ltd and owned 100% of the issued ordinary share capital of the company at 31 December 2021 (2020 : 100%).

During the year Defected Records recharged Defected London FSTVL 2019 Ltd the amount of £0 (2020 : £2,840) in respect of direct costs.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

As at 31 December 2021 the amount due from Defected Records Limited to Defected London FSTVL 2019 Ltd was £0 (2020 : £0)

Mrs Y Dunmore

During the year Mrs Y Dunmore, the director's wife received consultancy fees for merchandise services from the company in the amount of £60,500 (2020 : £64,500.)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.