

**Domino Publishing Company
Limited**

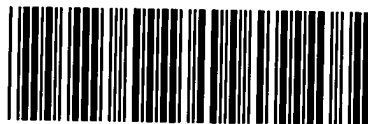
Report and Financial Statements

Year Ended

31 August 2022

Company Number 03716959

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Domino Publishing Company Limited

Report and financial statements for the year ended 31 August 2022

Contents

Page:

1	Directors' report
3	Statement of directors' responsibilities
4	Independent auditor's report
8	<i>Statement of comprehensive income</i>
9	Balance sheet
10	Statement of changes in equity
11	Notes forming part of the financial statements

Directors

L Bell
H Martin
P Lambden
C Whitlock

Secretary and registered office

H Martin, Unit 3 Delta Park, Smugglers Way, London, SW18 1EG

Company number

03716959

Auditor

SRLV Audit Limited, Chartered Accountants & Statutory Auditor, Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE

Domino Publishing Company Limited

Directors' report for the year ended 31 August 2022

The directors present their report together with the audited financial statements for the year ended 31 August 2022.

Results and dividends

The company made a profit before tax of £572k in the year ended 31 August 2022 (2021 - £1,021k Loss).

The directors do not recommend a final ordinary dividend (2021 - £Nil).

Principal activities and future developments

The principal activity of the company continued to be that of music publishing. No change in the nature of the company's activities is anticipated to occur in the foreseeable future.

Business review

The Statement of comprehensive income is set out on page 8 and shows turnover for the year of £6,816k (2021 - £6,177k) and a profit before taxation for the year of £572k (2021 - £1,021k Loss).

Turnover for the year has increased by 10.3% compared with 2021. The increase is due mainly to a post COVID-19 uplift in income streams that saw a decline during COVID-19.

In the year ended 31 August 2022, the company made an operating profit of £765k compared with an operating loss of £928k in the year ended 31 August 2021. This improvement in the company's performance is due to reduced investment in new writers and the recoupment of unrecouped balances from previous investments.

Principal risks and uncertainties

The company, in common with other businesses serving the music publishing sector, is exposed to the continued global decline in physical compact disc sales. However, the directors believe that recent industry growth as a result of the continued success of new digital products and services will continue for the foreseeable future and will offset further declines in physical sales, maintaining revenues and profits. We are continually dependent on identifying, signing and retaining writers whose music will continue to generate revenues for years to come. Competition for such talent is intense and the company's financial results would be adversely affected if the company fails to identify, sign and retain writers under terms that are commercially attractive.

Going concern

The financial statements have been prepared on the going concern basis. The directors are satisfied that the company has sufficient liquidity to meet its liabilities as they fall due for the foreseeable future. The Company has a letter of support from the parent company Domino Music Group Limited so that in the unlikely event the financial position of the company deteriorated the company would have the financial support of its parent company.

Further details are given in Note 1 of the financial statements.

Domino Publishing Company Limited

Directors' report for the year ended 31 August 2022 (*continued*)

Directors

The directors of the company during the year were:

L Bell
H Martin
P Lambden
C Whitlock

L Bell and H Martin are also directors of the ultimate parent company, Domino Music Group Limited.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

SRLV Audit Limited was appointed auditor during the year. Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the Board

L Bell



Director

Date 30 MAY 2023

Domino Publishing Company Limited

Statement of directors' responsibilities for the year ended 31 August 2022

The directors are responsible for preparing the Directors' Report and the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the profit or loss of the company for that period.

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;
- 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.

Domino Publishing Company Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOMINO PUBLISHING COMPANY LIMITED

Opinion

We have audited the financial statements of Domino Publishing Company Limited (the 'company') for the year ended 31 August 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 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 the 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 United Kingdom, including the Financial Reporting Council'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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Domino Publishing Company Limited

Independent auditor's report (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

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 an auditor's report 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.

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.

Domino Publishing Company Limited

Independent auditor's report (*continued*)

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the entity's industry and sector, control environment, business performance and management incentives;
- the results of our specific enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: the risk of fraud in revenue recognition, the completeness of liabilities under artist contracts and the carrying value of recoupable artist balances. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Domino Publishing Company Limited

Independent auditor's report (*continued*)

Whilst the procedures above describe the extent to which our procedures are capable of detecting irregularities, including fraud, there are inherent limitations in these audit procedures. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, misrepresentation or through collusion. We are not responsible for preventing irregularities, including fraud, or non-compliance with laws and regulations and cannot be expected to detect all irregularities or non-compliance with all laws and regulations.

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. This description forms part of our auditor's report.

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 for the opinions we have formed.

SRLV Audit Limited

Richard Gilbert (Senior Statutory Auditor)

for and on behalf of
SRLV Audit Limited

Chartered Accountants
Statutory Auditor

Elsley Court
20-22 Great Titchfield Street
London
W1W 8BE

30 May 2023

Domino Publishing Company Limited

Statement of comprehensive income for the year ended 31 August 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	6,816	6,177
Cost of sales		(5,306)	(5,896)
Gross profit		1,510	281
Administrative expenses		(745)	(1,209)
Operating profit/(loss)	6	765	(928)
Interest receivable and similar income	7	76	91
Interest payable and similar charges	8	(269)	(184)
Profit/(loss) before taxation		572	(1,021)
Taxation	9	(16)	(20)
Profit/(loss) and total comprehensive income/(loss) for the year		556	(1,041)

All amounts relate to continuing activities.

All recognised gains and losses in the current year and prior year are included in the Statement of comprehensive income.

There was no other comprehensive income/(loss) in the current or prior year.

The notes on pages 11 to 20 form part of these financial statements.

Domino Publishing Company Limited

Balance sheet at 31 August 2022

Company number 03716959	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	11	64	64	57	57
Investments	12	10	10	10	10
			<hr/>		<hr/>
			74		67
Current assets					
Debtors	13	3,374		5,145	
Cash at bank and in hand		3,417		2,892	
		<hr/>		<hr/>	
		6,791		8,037	
Creditors: amounts falling due within one year	14	(11,557)		(13,352)	
		<hr/>		<hr/>	
Net current liabilities			(4,766)		(5,315)
			<hr/>		<hr/>
Total assets less current liabilities			(4,692)		(5,248)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15	-	-	-	-
Retained deficit	16	(4,692)	(4,692)	(5,248)	(5,248)
		<hr/>	<hr/>	<hr/>	<hr/>
Shareholder's deficit			(4,692)		(5,248)
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on **30 MAY 2023**



L Bell
Director

The notes on pages 11 to 20 form part of these financial statements.

Domino Publishing Company Limited

Statement of changes in equity for the year ended 31 August 2022

	Share capital £'000	Accumulated deficit £'000	Total equity £'000
At 31 August 2020	-	(4,207)	(4,207)
Loss for the year ended 31 August 2021	-	(1,041)	(1,041)
Total comprehensive deficit for the year ended 31 August 2021	-	(5,248)	(5,248)
At 31 August 2021	-	(5,248)	(5,248)
Profit for the year ended 31 August 2022	-	556	556
Total comprehensive loss for the year ended 31 August 2022	-	(4,692)	(4,692)
At 31 August 2022	-	(4,692)	(4,692)

The notes on pages 11 to 20 form part of these financial statements.

Domino Publishing Company Limited

Notes forming part of the financial statements for the year ended 31 August 2022

1 Accounting policies

Domino Publishing Company Limited is a private company limited by shares and is registered in England and Wales. The address of the registered office and principal place of business is Unit 3 Delta Park, Smugglers Way, London SW18 1EG and the nature of the company's operations and its principal activities are set out in the directors' report.

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 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The functional and presentation currency of the company is Pound Sterling. The financial statements have rounded to the nearest £'000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. Details of the significant judgements and estimates are provided in note 2.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Domino Music Group Limited as at 31 August 2022 and those financial statements may be obtained from that company's registered office.

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on the going concern basis. The directors' have reviewed the company's going concern position taking into account current business activities, budgeted performance and factors likely to affect its future performance. Based on the information contained within the accounts, the directors have reasonable expectation that the company will have adequate resources for the foreseeable future.

As at 31 August 2022, the company had cash resources of £3.4m (2021 - £2.9m), current assets of £6.8m (2021 - £8.0m), net current liabilities of £4.8m (2021 - £5.3m) and net liabilities of £4.7m (2021 - £5.2m). In the year to 31 August 2022, the company made an operating profit of £0.8m (2021 - loss £0.9m) and a profit before tax of £0.6m (2021 - loss £1.0m). The company is in a net current liabilities and net liability position due to amounts owed to group undertakings of £7.3m (2021 - £9.2m), the majority of which is owed to its fellow subsidiary undertaking Domino Recording Company Limited. The directors of Domino Recording Company Limited have confirmed that the debt will not be re-called with 12 months of the signing of the financial statements.

Domino Publishing Company Limited

Notes forming part of the financial statements for the year ended 31 August 2022 (*continued*)

1 Accounting policies (*continued*)

Going concern (continued)

The company has no third party loans or borrowings as at 31 August 2022 (2021- £nil).

The directors have carried out a detailed stress test in order to consider how much performance and cash receipts would need to reduce before cash would be constrained, along with the likelihood of such a scenario occurring. After undergoing this exercise, the directors are comfortable a scenario that would result in the business not having sufficient cash reserves is extremely remote.

After making enquiries, together with the fact that the parent company, Domino Music Group Limited has confirmed it will provide financial support to the company (including non-recall of debts owing to fellow group companies) for a period of not less than one year from the date of signing of these financial statements, together with the fact that the directors are satisfied this letter is legally enforceable, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, having taken into account the uncertainties referred to above, they consider it is appropriate to continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover related to principal activities represents royalty income receivable in respect of mechanical, performance and synchronization royalty income net of VAT.

Royalty income is recognised when it has been earned and can be reliably measured.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of comprehensive income.

Financial assets

Financial assets other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Current and deferred taxation

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Domino Publishing Company Limited

Notes forming part of the financial statements for the year ended 31 August 2022 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation (continued)

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated using the tax rates enacted or substantively enacted by the balance sheet date and which are expected to apply in the periods in which the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Expenditure in relation to advances

Advance payments to writers and licensors to secure their publishing rights are assessed and the value of the unrecovered amount to be included in debtors is determined by reference to the prospects of future recoupment, based on past sales performance, current popularity and projected sales. Advance payments to writers who are not yet fully established are fully provided for in the income statement as committed to.

Fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. It is calculated at the following rates:

Fixtures, fittings and computer equipment - 15% reducing balance

Investments

Investments in joint venture interests in group entities are measured at cost less accumulated impairment.

The company does not equity account its investment in its joint venture undertaking. As the joint venture is wholly-owned within the group controlled by the parent company, the joint venture undertaking is consolidated within the parent company's consolidated financial statements.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the income statement in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. It is calculated at the following rates:

Purchased catalogue - 10% straight line

Domino Publishing Company Limited

Notes forming part of the financial statements for the year ended 31 August 2022 (*continued*)

1 Accounting policies (*continued*)

Leases

Leases taken by the company are assessed individually as to whether they are finance leases or operating leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease rental payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The benefit of lease incentives is spread over the term of the lease.

All other leases are treated as operating leases. Their annual rents are charged to the income statement on a straight-line basis over the term of the lease.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether advance payments to writers should be written off to the income statement as they are committed to or whether such payments should be included in debtors and written down to the statement in line with recoupment. This determination is made by reference to the prospects of future recoupment, based on past performance, current popularity and projected sales.
- Recoverability of amounts owed by group undertakings (note 13) - determine whether provisions are required against amounts owed by group undertakings based on the ability of the fellow subsidiary to generate profits and cash.

Other key sources of estimation uncertainty

- *Intangible and tangible fixed assets (see notes 10 and 11)*

Tangible and intangible fixed assets are depreciated or amortised respectively over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

- *Royalty accruals*

Management incorporate judgements into setting royalty provisions to which they believe will be owed to artists, based on a percentage applied to turnover. The percentage applied is based on historical trends for royalties paid. This calculation looks at the legislative maximum threshold, and considers internal evidence on returns to set this threshold.

Domino Publishing Company Limited

Notes forming part of the financial statements
for the year ended 31 August 2022 (*continued*)

3 Turnover

The whole of turnover is attributable to music publishing. In the year to 31 August 2022, 66.7% (2021 – 69.9%) of the company's turnover was to markets outside the United Kingdom.

	2022 £'000	2021 £'000
United Kingdom	2,273	1,859
Rest of the World	4,543	4,318
	<u>6,816</u>	<u>6,177</u>

4 Employees

	2022 £'000	2021 £'000
Staff costs consist of:		
Wages and salaries	749	668
Social security costs	73	65
Other pension costs	22	20
	<u>844</u>	<u>753</u>

The average number of employees, including directors, during the year was 12 (2021 - 13).

5 Directors

	2022 £'000	2021 £'000
Directors' remuneration consists of:		
Emoluments	194	181
Pension contributions	9	8
	<u>203</u>	<u>189</u>

There were 4 directors in the company's defined contribution scheme during the year (2021 - 2).

6 Operating profit/(loss)

	2022 £'000	2021 £'000
This has been arrived at after charging:		
Auditors' remuneration:		
- audit services	14	14
- non-audit services	5	6
(Profit)/Loss on foreign exchange	(584)	87
Amortisation of intangible assets	-	10
Depreciation of tangible fixed assets	11	10
	<u></u>	<u></u>

Domino Publishing Company Limited

Notes forming part of the financial statements
for the year ended 31 August 2022 (*continued*)

7 Interest receivable and similar income

	2022 £'000	2021 £'000
Intercompany interest receivable	76	91

8 Interest payable and similar charges

	2022 £'000	2021 £'000
Intercompany interest payable	269	184

9 Taxation

	2022 £'000	2021 £'000
<i>Current year tax</i>		
UK tax	-	(1)
Foreign tax	15	21
Adjustments in respect of prior periods (foreign tax)	1	-
Total tax charge	16	20

The tax assessed for the year is lower than (2021 – higher than) the standard rate of corporation tax in the UK. The differences are explained below:

	2022 £'000	2021 £'000
Profit/(loss) on ordinary activities before tax	572	(1,021)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	109	(194)
Effects of:		
Fixed asset differences	(1)	-
Expenses not deductible for tax purposes	6	3
Other permanent differences	(2)	(1)
Foreign tax	15	21
Deferred tax not recognised	(217)	210
Losses surrendered to group companies	53	30
Adjustment in respect of prior periods	1	-
Re-measurement of deferred tax for changes in tax rates	52	(49)
Current tax charge for year	16	20

There are no unrecognised losses at 31 August 2022 (2021 - £nil).

Domino Publishing Company Limited

Notes forming part of the financial statements
for the year ended 31 August 2022 (*continued*)

10 Intangible assets

	Purchased catalogue £'000
<i>Cost</i>	
At 1 September 2021 and at 31 August 2022	84
<i>Amortisation</i>	
At 1 September 2021 and at 31 August 2022	84
<i>Net book value</i>	
At 31 August 2022	-
At 31 August 2021	-

11 Tangible assets

	Fixtures, fittings and computer equipment £'000
<i>Cost</i>	
At 1 September 2021	101
Additions	18
At 31 August 2022	119
<i>Depreciation</i>	
At 1 September 2021	44
Charge for the year	11
At 31 August 2022	55
<i>Net book value</i>	
At 31 August 2022	64
At 31 August 2021	57

Domino Publishing Company Limited

Notes forming part of the financial statements
for the year ended 31 August 2022 (continued)

12 Investments £'000

Cost and net book value

At 1 September 2021 and at 31 August 2022

10

Name	Registered Address	Country of incorporation or registration	Proportion of voting rights and membership interests held	Nature of business
Oval Sounds LLP	Unit 3 - Delta Park, Smugglers Way, London, SW18 1EG	United Kingdom	50%	Recording Company

13 Debtors

	2022 £'000	2021 £'000
Trade debtors	306	153
Amounts owed by fellow group companies	2,977	4,920
Taxation and social security	-	12
Writer advances	84	22
Other debtors	-	31
Prepayments and accrued income	7	7
	3,374	5,145

All amounts shown under debtors fall due for payment within one year.

Amounts owed by fellow group undertakings are repayable on demand and have interest chargeable at 2% above the Bank of England base rate as at 31 August.

14 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	139	127
Taxation and social security	18	20
Amounts owed to group undertakings	7,307	9,189
Amounts owed to joint ventures and associates of group undertakings	4	4
Other creditors	11	-
Accruals and deferred income	1,379	1,062
Royalty accruals	2,699	2,950
	11,557	13,352

Amounts owed to fellow group undertakings are repayable on demand and have interest chargeable at 2% above the Bank of England base rate as at 31 August.

Domino Publishing Company Limited

Notes forming part of the financial statements
for the year ended 31 August 2022 (*continued*)

15 Share capital

	Allotted, called up and fully paid			
	2022 Number	2021 Number	2022 £	2021 £
Ordinary shares of £1 each	2	2	2	2

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

16 Reserves

Share capital

Share capital represents the nominal value of the shares issued.

Accumulated losses

The accumulated losses reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

17 Related party transactions

During the year royalties of £54,739 (2021 - £46,761) were paid to Branch Music Limited, a company of which Paul Lambden is also a director.

No disclosure has been made of transactions with other wholly owned group companies in accordance with FRS 102 Section 33 paragraph 33.1a as the company is itself a wholly owned subsidiary of Domino Music Group Limited.

Joint ventures and associated companies

During the year, transactions took place between the company and Ribbon Music LLC, a joint venture in which the parent undertaking, Domino Music Group Limited, exercises joint control or exercises significant influence until 1 January 2021. These transactions are as follows:

	2022 £'000	2021 £'000
Loan repaid	-	1,411
Royalties payable	-	(767)
Total movement in year	-	644

The balance due at the year end to joint ventures of fellow group undertakings is stated in note 14.

Domino Publishing Company Limited

**Notes forming part of the financial statements
for the year ended 31 August 2022 (continued)**

18 Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Domino Music Group Limited.

The parent of the smallest and largest group for which group accounts are prepared of which the company is a member is Domino Music Group Limited, a company registered in England and Wales.

Copies of the financial statements of the parent may be obtained from Unit 3 Delta Park, Smugglers Way, London, SW18 1EG.

The ultimate controlling party is Laurence Bell who owns 95% of the issued share capital of Domino Music Group Limited.

19 Post balance sheet events

There have been no events since the balance sheet date which materially affect the position of the company.