

Company Registration No. 04064738 (England and Wales)

DEFECTED MUSIC LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

DEFECTED MUSIC LIMITED

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DEFECTED MUSIC LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	3		585		780
Current assets					
Debtors	4	957,257		575,911	
Cash at bank and in hand		364,631		63,570	
		1,321,888		639,481	
Creditors: amounts falling due within one year	5	(1,084,654)		(574,808)	
Net current assets			237,234		64,673
Total assets less current liabilities			237,819		65,453
Creditors: amounts falling due after more than one year	6		(26,612)		(36,461)
Net assets			211,207		28,992
Capital and reserves					
Called up share capital	7		2		2
Profit and loss reserves			211,205		28,990
Total equity			211,207		28,992

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 26 September 2023 and are signed on its behalf by:

W A Saunders
Director

Company Registration No. 04064738

DEFECTED MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Defected Music Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ground Floor, 23 Curtain Road, London, England, EC2A 3LT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have obtained assurance from its parent company, Optimum Defected Holdings Limited, that it and the group will continue to provide support and that it will not recall the amounts due to any group member for a period of at least 12 months after the date of signing these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

DEFECTED MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 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

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.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

DEFECTED MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Employees

The average number of employees during the year was N L (2021 - NIL).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2022 and 31 December 2022	18,121
Depreciation and impairment	
At 1 January 2022	17,341
Depreciation charged in the year	195
At 31 December 2022	17,536
Carrying amount	
At 31 December 2022	585
At 31 December 2021	780

4 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Amounts owed by group undertakings	671,489	571,489
Other debtors	285,768	4,422
	957,257	575,911

5 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	9,849	9,606
Trade creditors	7,040	3,589
Amounts owed to group undertakings	553,838	200,034
Corporation tax	34,682	(8,105)
Other creditors	479,245	369,684
	1,084,654	574,808

DEFECTED MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	26,612	36,461
	<u> </u>	<u> </u>

The company is a joint borrower with Defected Records Limited. Both companies jointly guarantee a loan facility of which either company may drawdown. Defected Records Limited holds long-term loans under the joint guarantee of £23,774,264 at 31 December 2022 of which Defected Music Limited is jointly liable.

The long-term loans are secured by fixed and floating charges over all property and assets of both the companies, including all of the company's rights in any intellectual property and vehicles, both present and future, for the duration of the loan.

7 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	2	2	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Russell Nathan.

The auditor was HW Fisher LLP.

9 Parent company

On 29 July 2022, the parent company of Defected Music Limited became Optimum Defected Holdings Limited and its registered office is 23 Curtain Road, London, England, EC2A 3LT. The results of Defected Music Limited are included within the consolidated financial statements of Optimum Defected Holdings Limited.

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.