

Company Registration No. 05560564 (England and Wales)

**Spirit Music Publishing Limited**

**Annual report and financial statements**

**For the year ended 31 December 2020**

**Pages for filing with registrar**

# **SPIRIT MUSIC PUBLISHING LIMITED**

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## SPIRIT MUSIC PUBLISHING LIMITED

### BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Current assets</b>					
Debtors	3	5,968,841		5,096,839	
Cash at bank and in hand		93,953		153,423	
		<u>6,062,794</u>		<u>5,250,262</u>	
<b>Creditors: amounts falling due within one year</b>					
	4	(7,703,354)		(5,861,574)	
		<u>(1,640,560)</u>		<u>(611,312)</u>	
<b>Net current liabilities</b>			(1,640,560)		(611,312)
			<u></u>		<u></u>
<b>Capital and reserves</b>					
Called up share capital	5		1,000		1,000
Profit and loss reserves			(1,641,560)		(612,312)
			<u>(1,640,560)</u>		<u>(611,312)</u>
<b>Total equity</b>			(1,640,560)		(611,312)
			<u></u>		<u></u>

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

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102 Section 1A - Small Entities.

The financial statements were approved by the board of directors and authorised for issue on 28 September 2021 and are signed on its behalf by:

L Hoffman  
Director

Company Registration No. 05560564

# SPIRIT MUSIC PUBLISHING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### **Company information**

Spirit Music Publishing Limited is a private company limited by shares and is registered in England and Wales. The address of its registered office is 55 Loudoun Road, St. John's Wood, London, NW8 0DL and the address of its principal place of business is 46A Great Marlborough Street, London, W1F 7JW.

##### **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**

The financial statements have been prepared on the going concern basis as, despite the company having a net liability position at the year end, the directors have confirmed that funds will continue to be made available from its parent and other group companies to enable it to meet its day to day commitments for the foreseeable future. The directors are of the opinion that the going concern basis is therefore appropriate to the preparation of these financial statements.

##### **1.3 Turnover**

Turnover represents royalty income and is included on a receivable basis.

##### **1.4 Cash at bank and in hand**

Cash and cash equivalents represent cash held at bank.

##### **1.5 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.

##### **Basic financial assets**

Basic financial assets, which include debtors, 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.

# SPIRIT MUSIC PUBLISHING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### *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 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

#### 1.6 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.

#### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.8 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 are included in the profit and loss account for the period.

# SPIRIT MUSIC PUBLISHING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies (Continued)

#### 1.9 Advances to artists

Advances to artists, presented within debtors on the balance sheet, represent advances made direct to artists and other costs incurred on behalf of artists under contract. These advances, which are only recoverable against future royalties, are charged to the profit and loss account as they are recouped or where the probability of future recoupment in respect thereof is unlikely.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2019: 2).

### 3 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	-	1,020
Amounts due from parent and group undertakings	5,654,295	4,896,560
Other debtors	314,546	199,259
	<u>5,968,841</u>	<u>5,096,839</u>

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 4 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	7,123	9,543
Amounts due to parent and fellow group undertakings	7,524,843	5,619,493
Corporation tax	-	9
Other taxation and social security	154,975	200,520
Other creditors	16,413	32,009
	<u>7,703,354</u>	<u>5,861,574</u>

Amounts due to parent and fellow group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## SPIRIT MUSIC PUBLISHING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 5 Called up share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and not fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

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

#### 6 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 audit report provided to the members of Spirit Music Publishing Limited on the financial statements for the year ended 31 December 2020 was not qualified.

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

#### 7 Contingent liabilities

There are fixed and floating charges over all of the assets of the company in respect of bank loans payable by other group entities.

The company also has a deposit agreement under which there is a charge for all monies due under a lease agreement entitled by LCH Properties Limited for £8,970 (2019: £8,970).

#### 8 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS102 Section 1A paragraph 1AC.35 not to disclose transactions entered into between two or more members of a group, as the company and the other subsidiaries are wholly owned subsidiary undertakings of the group to which they are party to the transactions.

The parent of the smallest group for which group accounts are drawn up, of which the company is a member, is Spirit Music Group, Inc., whose registered office is 9 East Loockerman Street, Dover, Delaware, 19901, USA.

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.