

MOS Publishing Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2019



MOS Publishing Limited
DIRECTORS AND OFFICERS

DIRECTORS

L. Presencer

COMPANY NUMBER

06525420

REGISTERED OFFICE

**103 Gaunt Street
London
SE1 6DP**

BANKERS

**Metro Bank Plc
One Southampton Row
London WC1B 5HA**

INDEPENDENT AUDITOR

**RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB**

MOS Publishing Limited

DIRECTOR'S REPORT

The director submits their report and the financial statements of MOS Publishing Limited for the year ended 31 December 2019.

For commentary on this year's performance, please refer to the financial statements of Ministry of Sound Group Limited for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company is the exploitation of publishing rights owned by the company.

DIVIDENDS

The director did not declare a dividend (2018: £Nil) during the year.

DIRECTORS

The following directors have held office during the period:-

L. Presencer

DIRECTORS' AND OFFICERS' INSURANCE

The company maintains liability insurance covering the directors and officers of the company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the Small Companies exemption.

FUTURE DEVELOPMENTS

Following the year end the Ministry of Sound group of companies ("Group") reorganised its intercompany debt and company structure. This reorganisation resulted in certain assets and liabilities being sold, settled, novated and/or set off between Group companies. There was no impact on the profit and loss account as a result of these transactions. No transactions took place outside of the Group companies.

Subsequent to the year end, the company's immediate parent company changed to Submin Holdings Limited. The ultimate controlling party is unchanged.

MOS Publishing Limited

DIRECTOR'S REPORT (continued)

GOING CONCERN

MoS Publishing has remained profitable throughout the coronavirus pandemic (COVID-19) and has performed well notwithstanding the global impact that COVID-19 has had.

The COVID-19 outbreak and escalation of the pandemic has given rise to additional risk considerations. The Directors have considered the risks created by COVID-19 and have taken steps and actions that have minimised the associated impact. These include, but are not limited to, the preparation of business continuity plans, including risk assessments and readiness evaluations covering all business functions. Regular communications have been made to staff and the company's stakeholders to minimise disruption.

During the COVID-19 crisis the company has taken advantage of the Coronavirus Job Retention Scheme, VAT & PAYE Deferment Schemes.

The Directors have reviewed cash flow forecasts of the Group and have a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

The Group operates a number of diverse businesses built on the foundations of a globally recognised brand and a thirty year track record of innovating and growing successful companies. This reputation has helped build a strong customer base across all its business activities. For example, the nightclub has been described by London Night Czar Amy Lamé as "a flagship London cultural institution which has transformed London's night time cultural offer".

At the end of the first quarter of 2020 the Group was on course to have an extremely successful year, exceeding budget expectations in all areas. The Group was therefore well positioned in terms of its cashflow at the outbreak of COVID-19 in the UK. Business activities have subsequently been impacted by COVID 19 and the additional risk considerations to varying degrees. The Directors believe that the Company and the Group are well placed to successfully manage potential risk factors.

The ultimate parent of the Group is Submin Holdings Limited, and the board of that company has confirmed it intends continue to support the company for at least 12 months from the date of signing the financial statements.

By order of the Board

Lohan Presencer

L. Presencer

Director

23 March 2021

MOS Publishing Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and accounting estimates that are reasonable and prudent;
- c. 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.

MOS Publishing Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOS PUBLISHING LIMITED

Opinion

We have audited the financial statements of MOS Publishing Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position and notes to the financial statements, 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 FRS 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 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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.

MOS Publishing Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOS PUBLISHING LIMITED (continued)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

RSM UK Audit LLP

CHRISTOPHER TATE (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London, EC4A 4AB

Date: 24 March 2021

MOS Publishing Limited
STATEMENT OF INCOME AND RETAINED EARNINGS
for the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover	2	1,540,498	1,162,654
Cost of sales		(1,109,615)	(796,302)
GROSS PROFIT		430,883	366,352
Other operating expenses (net)	3	(566,858)	(598,833)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(135,975)	(232,481)
Taxation	6	(15,064)	39,522
LOSS FOR THE FINANCIAL YEAR		(151,039)	(192,959)
Retained earnings at 01 January 2019		(1,074,585)	(881,626)
Retained earnings at 31 December 2019		(1,225,624)	(1,074,585)

The operating loss for the period arises from the company's continuing operations.

The company's turnover and loss on ordinary activities before taxation were all derived from its principal activity which was carried out wholly in the United Kingdom.

MOS Publishing Limited
STATEMENT OF FINANCIAL POSITION
for the year ended 31 December 2019

(Company Registration No. 06525420)

	Notes	2019 £	2018 £
CURRENT ASSETS			
Debtors	7	1,621,420	985,143
CREDITORS: Amounts falling due within one year	8	(2,846,944)	(2,059,628)
NET LIABILITIES		<u>(1,225,524)</u>	<u>(1,074,485)</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	9	(1,225,624)	(1,074,585)
SHAREHOLDERS' DEFICIT		<u>(1,225,524)</u>	<u>(1,074,485)</u>

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

The financial statements on pages 8 to 16 were approved by the board of directors and authorised for issue on 23 March 2021 and are signed on its behalf by:

Lohan Presencer

L. Presencer
Director

MOS Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

GENERAL INFORMATION

MOS Publishing Limited ("the Company") is a company limited by shares domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is 103 Gaunt Street, London SE1 6DP.

The Company's principal activities the nature of the Company's operations are disclosed in the Directors' Report.

BASIS OF ACCOUNTING

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, and under the historical cost convention.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures; and
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Ministry of Sound Group Limited.

GOING CONCERN

MoS Publishing has remained profitable throughout the coronavirus pandemic (COVID-19) and has performed well notwithstanding the global impact that COVID-19 has had.

The COVID-19 outbreak and escalation of the pandemic has given rise to additional risk considerations. The Directors have considered the risks created by COVID-19 and have taken steps and actions that have minimised the associated impact. These include, but are not limited to, the preparation of business continuity plans, including risk assessments and readiness evaluations covering all business functions. Regular communications have been made to staff and the company's stakeholders to minimise disruption.

During the COVID-19 crisis the company has taken advantage of the Coronavirus Job Retention Scheme, VAT & PAYE Deferral Schemes.

The Directors have reviewed cash flow forecasts of the Group and have a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

MOS Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

The Group operates a number of diverse businesses built on the foundations of a globally recognised brand and a thirty year track record of innovating and growing successful companies. This reputation has helped build a strong customer base across all its business activities. For example, the nightclub has been described by London Night Czar Amy Lamé as “a flagship London cultural institution which has transformed London’s night time cultural offer”.

At the end of the first quarter of 2020 the Group was on course to have an extremely successful year, exceeding budget expectations in all areas. The Group was therefore well positioned in terms of its cashflow at the outbreak of COVID-19 in the UK. Business activities have subsequently been impacted by COVID 19 and the additional risk considerations to varying degrees. The Directors believe that the Company and the Group are well placed to successfully manage potential risk factors.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

MOS Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously

ADVANCES AND OTHER ARTIST COSTS

Advances to artists are held on the balance sheet until release, at which point they are expensed to profit and loss. Amounts held on the balance sheet for future releases are reviewed for impairment based upon expected future sales. Pre-release origination, marketing, and other expenditure is recorded as a prepayment until the time of release or the directors decide that the product will not be released at which point it is expensed in the profit and loss account. Unrecoupable advances are taken to the profit and loss account when paid. Recoupable advances are retained as a debtor and offset against future royalties.

MOS Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no significant estimates and assumptions that affect the financial statements.

Accrued income

Certain revenue streams, for example performance income, are on long reporting cycles with revenues earned during a financial year not being reported and paid through until the following period. There are no standard earnings rates for this type of income and levels can fluctuate significantly based on a number of variables. The income is accrued based upon past experience of how chart position equates to revenue received which has historically meant that actual earnings are not materially different from amounts accrued at year end.

Critical areas of judgement

Royalty advances and recoupable costs

Advances to artists are held on the balance sheet until release, at which point they are expensed to profit and loss. Amounts held on the balance sheet for future releases are reviewed for impairment based upon expected future sales. An off balance sheet royalties account is maintained and further royalties are only charged to profit and loss once an artist is recouped. Recoupable costs are charged to profit and loss at the time of release as management believe this is the most prudent approach as it can never be guaranteed that royalties due to an artist will exceed advances and recoupable costs paid. This eliminates the possibility of holding a potentially irrecoverable asset on the balance sheet.

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit on ordinary activities before taxation were all derived from its principal activity which was carried out wholly in the United Kingdom.

3 OTHER OPERATING EXPENSES (NET)	2019	2018
	£	£
Administration expenses	<u>566,858</u>	<u>598,833</u>

4 LOSS ON ORDINARY ACTIVITIES

Auditor's remuneration is borne by another group company.

MOS Publishing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

5 EMPLOYEES AND DIRECTORS' REMUNERATION

All staff are employed by Ministry of Sound Group Limited, the parent company.

The director did not receive any emoluments from the company in the current year. The director is remunerated by other group companies. It is not practical to calculate the amount of remuneration that relates to services for this company.

No contributions were made on behalf of directors to a pension scheme.

6 TAXATION	2019	2018
	£	£
Current tax:		
Tax on loss on ordinary activities	-	-
Deferred tax:		
Adjustment Previous Period	39,522	-
Originating from timing differences	(24,458)	39,522
Total deferred tax	<u>15,064</u>	<u>39,522</u>
Deferred Tax:		
Factors affecting tax charge for the year:		
Profit on ordinary activities before tax	<u>(135,975)</u>	<u>(232,481)</u>
Loss on ordinary activities multiplied by the average standard rate of UK corporation tax 19% (2018: 19%)	(25,835)	(44,171)
Effects of:		
Expenses not deductible for tax purposes	1,377	(1)
Tax rate changes	-	4,650
Adjustment Previous Period	39,522	-
Differences in provision per accounts	-	-
Current tax credit for the period	<u>15,064</u>	<u>39,522</u>
7 DEBTORS	2019	2018
	£	£
Due within one year:		
Prepayments and Accrued income	1,596,862	945,521
Other debtors	100	100
Deferred tax assets	24,458	39,522
	<u>1,621,420</u>	<u>985,143</u>

MOS Publishing Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

8	CREDITORS: Amounts falling due within one year	2019	2018
		£	£
	Amounts due to group undertakings	1,579,410	1,359,453
	Accruals and deferred income	1,267,534	700,175
		<u>2,846,944</u>	<u>2,059,628</u>
9	SHARE CAPITAL & RESERVES	2019	2018
		£	£
	Allotted, issued and fully paid:		
	1,000 ordinary shares of £0.10 each	100	100
	Profit and loss account	(1,225,624)	(1,074,585)
	Cumulative profit and loss net of distributions to owners	<u>(1,225,524)</u>	<u>(1,074,485)</u>

10 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Ministry of Sound Group Limited, a company incorporated in Great Britain. Copies of the group financial statements of Ministry of Sound Group Limited are available from Companies House, Crown Way, Mairdy, Cardiff, CF14 3UZ.

The ultimate parent undertaking is Submin Holdings Limited, a company registered in Jersey. Submin Holdings Limited prepares consolidated financial statements and represents the largest group for which consolidated financial statements are prepared.

In the opinion of the directors, the company is ultimately controlled by R&H Trust Co (Jersey) Limited in its capacity as trustee of the Michael Wigram Settlement, by virtue of a controlling shareholding in Submin Holdings Limited.

MOS Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

11 POST BALANCE SHEET EVENTS

On 30 January 2020, the World Health Organisation (WHO) declared the outbreak of COVID-19 to be a public health emergency of international concern, and on 11 March 2020 WHO declared a global pandemic. This COVID-19 pandemic has severely restricted the level of economic activity around the world and in particular, for the Group, the hospitality and flex office industries.

In response to this pandemic, the governments of many countries have taken protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The Group has assessed the COVID-19 pandemic as a non-adjusting post balance sheet event.

The Group has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor developments closely. This event has had a material impact on the company. The current opinion of the directors, taking into account the latest forecast information, is that there is no impairment of fixed assets to be disclosed.

Following the year end the Group reorganised its intercompany debt and company structure. This reorganisation resulted in certain assets and liabilities being sold, settled, novated and/or set off between Group companies. The company's immediate parent company changed to Submin Holdings Limited, the ultimate holding company remained unchanged. There was no impact on the profit and loss account as a result of these transactions. No transactions took place outside of the Group companies.

With the exception of the above events and considerations, no other post balance sheet events affecting the financial statements or related disclosures have occurred to date.

12 RELATED PARTY TRANSACTIONS

At 31 December 2019, the amount due to Ministry of Sound Group Limited was £1,579,410 (2018: £1,359,453). This balance has arisen from trading expenses that have been settled centrally by Ministry of Sound Group Limited.