

MELTED STONE LIMITED

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



MELTED STONE LIMITED
REGISTERED NUMBER:06555877

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Current assets			
Debtors	5	4,804,253	5,568,489
Cash at bank and in hand		44,097,428	25,564,468
		<u>48,901,681</u>	<u>31,132,957</u>
Creditors: amounts falling due within one year	6	(33,974,955)	(15,733,850)
Net current assets		14,926,726	15,399,107
Total assets less current liabilities		14,926,726	15,399,107
Creditors: amounts falling due after more than one year	7	(12,500,000)	(12,500,000)
Net assets		2,426,726	2,899,107
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	2,426,725	2,899,106
		<u>2,426,726</u>	<u>2,899,107</u>

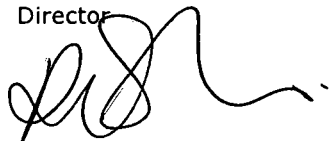
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 September 2019.

A Adkins
Director



MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Melted Stone Limited is a private company, limited by shares, and is incorporated in England and Wales, registration number 06555877. The address of its registered office is Elsley Court, 20-22 Great Titchfield, London, W1W 8BE.

The principal activity of the company continued to be the provision of music recording services.

2. Accounting policies

2.1 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'administration expenses'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents advances and royalties receivable which are recognised in respect of each of their royalty accounting periods ending within the company's financial year. Non-returnable advances are taken to income when contractually due.

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporate tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including a director, during the year was 1 (2017 - 1).

4. Dividends

	2018 £	2017 £
Dividends paid	3,900,000	2,250,000
	<u>3,900,000</u>	<u>2,250,000</u>

5. Debtors

	2018 £	2017 £
Trade debtors	-	15,835
Amounts owed by connected companies	497,738	635,473
Other debtors	528,031	433,713
Prepayments	2,500,000	2,500,000
Accrued income	1,278,484	1,983,468
	<u>4,804,253</u>	<u>5,568,489</u>

All debtors are due within one year except prepayments, £2,500,000 (2017 - £2,500,000) which is due after one year.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	6,532	1,533
Corporation tax	804,054	115,408
Other taxation and social security	50,980	185,539
Other creditors	32,758,747	13,538,016
Accruals and deferred income	354,642	1,893,354
	<u>33,974,955</u>	<u>15,733,850</u>

7. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Accruals and deferred income	12,500,000	12,500,000
	<u>12,500,000</u>	<u>12,500,000</u>

8. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 (2017 -1) Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>

9. Reserves

Profit and loss account

The profit and loss account is a distributable reserve arising from accumulated profit and losses to date.

10. Transactions with director

As at the year end the company owed the director £32,758,134 (2017 - £13,538,016). The loan is unsecured, interest free and repayable on demand.

11. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 25 September 2019 by Andrew Evans, FCA (Senior statutory auditor) on behalf of Deloitte LLP.