

MELTED STONE LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

MELTED STONE LIMITED
REGISTERED NUMBER:06555877

BALANCE SHEET
AS AT 31 DECEMBER 2022

| | Note | 2022 £ | 2021 £ |
|---------------------------------------------------------|-------------|-------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 4 | <u>1,361</u> | <u>2,098</u> |
| | | 1,361 | 2,098 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 5 | 9,311,403 | 17,591,541 |
| Cash at bank | 6 | <u>27,904,643</u> | <u>7,177,315</u> |
| | | 37,216,046 | 24,768,856 |
| Creditors: amounts falling due within one year | 7 | <u>(27,423,101)</u> | <u>(6,330,169)</u> |
| Net current assets | | 9,792,945 | 18,438,687 |
| Total assets less current liabilities | | 9,794,306 | 18,440,785 |
| Creditors: amounts falling due after more than one year | 8 | (3,500,000) | (3,500,000) |
| Provisions for liabilities | | | |
| Deferred tax | | <u>(340)</u> | <u>(525)</u> |
| | | (340) | (525) |
| Net assets | | <u>6,293,966</u> | <u>14,940,260</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 1 | 1 |
| Profit and loss account | | <u>6,293,965</u> | <u>14,940,259</u> |
| | | <u>6,293,966</u> | <u>14,940,260</u> |

MELTED STONE LIMITED
REGISTERED NUMBER:06555877

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 by 5 December 2023.

A Adkins

Director

The notes on pages 3 to 8 form part of these financial statements.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Melted Stone Limited is a private company, limited by shares, registered in England and Wales, registration number 06555877. The registered office address 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 the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 year 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in profit or loss.

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 year 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 profit or loss using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to profit or loss 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 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.7 Taxation

The tax expense for the year comprises current and deferred tax. 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 corporation 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|--------------------|------------------------|
| Computer equipment | - 33.33% straight-line |
|--------------------|------------------------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 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.

2.10 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 3 months.

2.11 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.

2.12 Financial instruments

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

2.13 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 shareholder at an annual general meeting.

3. Employees

The average monthly number of employees, including the director, during the year was 1 (2021 -1).

MELTED STONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Tangible fixed assets

| | Computer equipment £ |
|----------------------------|-------------------------------------|
| Cost | |
| At 1 January 2022 | 6,292 |
| Additions | 1,940 |
| At 31 December 2022 | 8,232 |
| Depreciation | |
| At 1 January 2022 | 4,194 |
| Charge for the year | 2,677 |
| At 31 December 2022 | 6,871 |
| Net book value | |
| At 31 December 2022 | 1,361 |
| At 31 December 2021 | 2,098 |

5. Debtors

| | 2022 £ | 2021 £ |
|-------------------------------------|-------------------|------------|
| Trade debtors | - | 258,463 |
| Amounts owed by connected companies | 5,051,056 | 1,916,320 |
| Other debtors | 4,104 | 5,850 |
| Prepayments and accrued income | 4,256,243 | 15,410,908 |
| | 9,311,403 | 17,591,541 |

6. Cash

| | 2022 £ | 2021 £ |
|--------------|-------------------|-----------|
| Cash at bank | 27,904,643 | 7,177,315 |

MELTED STONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|-------------------------------------|--------------------------|------------------|
| | £ | £ |
| Trade creditors | 87,910 | 10,971 |
| Amounts owed to connected companies | 512,221 | - |
| Corporation tax | 508,912 | 336,752 |
| Other taxation and social security | 485,689 | 358,453 |
| Other creditors | 24,925,554 | 2,651,477 |
| Accruals | 902,815 | 2,972,516 |
| | <u>27,423,101</u> | <u>6,330,169</u> |

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

| | 2022 | 2021 |
|-----------------|-------------------------|------------------|
| | £ | £ |
| Deferred income | <u>3,500,000</u> | <u>3,500,000</u> |

9. Deferred taxation

| | 2022 |
|--------------------------|-------------------|
| | £ |
| At beginning of year | 525 |
| Profit and loss movement | (185) |
| At end of year | <u>340</u> |

The provision for deferred taxation is made up as follows:

| | 2022 | 2021 |
|--------------------------------|-------------------|------------|
| | £ | £ |
| Fixed asset timing differences | <u>340</u> | <u>525</u> |
| | <u>340</u> | <u>525</u> |

MELTED STONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Share capital

| | 2022 | 2021 |
|-------------------------------------------|-----------------|-----------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1 (2021 -1) Ordinary share of £1.00 | <u>1</u> | <u>1</u> |

The ordinary share has attached to it full voting, dividend and capital distribution (including on winding up) rights; it does not confer any rights of redemption.

11. Transactions with director

At the balance sheet date, the company owed the director £24,925,554 (2021 - £2,651,477). The loan is unsecured, interest free and repayable on demand.

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