

## **XIX/DB Label Limited**

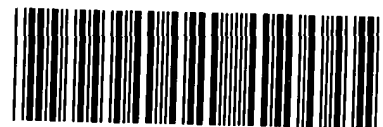
Report and Financial Statements

Year Ended

31 December 2021

Company Number 07777131

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## **XIX/DB Label Limited**

### **Report and financial statements for the year ended 31 December 2021**

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#### **Director**

R Dodds

#### **Registered office**

Suite 1, 259a Pavilion Road, London, SW1X 0BP

#### **Company number**

07777131

#### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

**XIX/DB Label Limited****Balance sheet  
at 31 December 2021**

<b>Company number 07777131</b>	<b>Note</b>	<b>2021 £</b>	<b>2021 £</b>	<b>2020 £</b>	<b>2020 £</b>
<b>Fixed assets</b>					
Investments	6		49		49
<b>Current assets</b>					
Debtors	7	318,084		133,081	
		<u>318,084</u>		<u>133,081</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(71,935)</u>		<u>(31,934)</u>	
<b>Net current assets</b>			246,149		101,147
<b>Total assets less current liabilities</b>			<u>246,198</u>		<u>101,196</u>
<b>Capital and reserves</b>					
Called up share capital	9		100		100
Profit and loss account	9		246,098		101,096
<b>Shareholders' funds</b>			<u>246,198</u>		<u>101,196</u>

These 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 company's annual accounts and reports have been delivered to the registrar in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies' regime. A copy of the company's profit and loss account has not been delivered to the registrar of companies.

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2022.

DocuSigned by:

*Robert Dodds*

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R Dodds  
Director

The notes on pages 2 to 6 form part of these financial statements.

## **XIX/DB Label Limited**

### **Notes forming part of the financial statements for the year ended 31 December 2021**

#### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A Small Entities.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. The director does not believe the financial statements contain any critical accounting estimates.

The following accounting policies have been applied:

#### *Going concern*

These financial statements have been prepared on the going concern basis, taking into account that the UK Group's ultimate parent, XIX Entertainment LP, has confirmed that it will continue to provide such financial support to settle its liabilities as the UK Group requires for its continued operations and so it can continue trading for a period of at least 12 months from the date of approval of the financial statements. However, given the inter-relationship between the UK Group and its ultimate parent, it is reliant not only on its ultimate parent's support but on the wider Group maintaining sufficient working capital to support its activities. The going concern of the UK Group has therefore been considered at the wider Group level.

At a wider Group level, management have prepared detailed cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements. Various sensitivity analyses have been performed to reflect a variety of possible cash flow scenarios, taking into account the continued impact of the COVID-19 pandemic, the conflict in Ukraine, the cost of living crisis. This assumes that the wider Group experiences reductions in revenues as a result of the continued impact of COVID-19 and the other factors noted above.

The impact of COVID-19, the conflict in Ukraine and cost of living crisis continue to cause disruption to many businesses, however, the impact of each of these on the entertainment sector is reduced as the pandemic draws to a close and there has been limited impact of the sector from the Ukraine conflict and cost of living crisis. While Management have no reason to believe that revenues and receipts will decline to the point that the wider Group no longer has sufficient resources to fund its operations, should this occur, the wider Group may need to seek additional funding beyond the facilities that are currently available to it through a placement of shares or source other funding, as well as making significant reductions in its fixed cost expenses.

Ultimately, the ability of the wider Group to meet its liabilities as they fall due is dependent on future events, including obtaining adequate financing, if required and retaining adequate working capital to fulfil its activities and generating a level of revenues adequate to support the wider Group's cost structure. Further, the Majority Partner of the controlling party has confirmed to management that he will financially support the wider Group in settling its liabilities as necessary for a period of at least 12 months from the date of approval of the financial statements. The wider Group's failure to retain and access its existing facilities and/or raise additional capital as and when needed, could have a negative impact on its financial condition and ability to pursue its business strategies and therefore its ability to provide the necessary working capital to support the UK Group's activities. In addition, while the director has no reason to believe that the financial support from the Ultimate Parent and the Majority Partner will not be forthcoming, it is not contractually guaranteed. These events or conditions indicate that a material uncertainty exists which may cast significant doubt on the UK Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would be required if the UK Group was unable to continue as a going concern.

XIX/DB Label Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the director's report.

## XIX/DB Label Limited

### Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

#### 1 Accounting policies (*continued*)

##### *Turnover*

Turnover represents income distributions received and connected with the Company's investment in Sign of the Times Records Limited. In respect of contracts spanning the year end, turnover represents the value of work performed in the year and deemed as recoverable and collectable. At the year-end deferred income is recognised where amounts invoiced to customers exceed revenues earned during the year.

##### *Investments*

Fixed asset investments are stated at cost less provision for diminution in value.

##### *Taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## XIX/DB Label Limited

### Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

#### 2 Turnover

The turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

#### 3 Operating profit

	2021 £	2020 £
This is arrived at after charging:		
Auditors' remuneration	3,400	2,750
Fees payable to the company's auditor for taxation compliance services	2,100	1,875
	<u>          </u>	<u>          </u>

#### 4 Director's remuneration

The director's and key management remuneration were borne by other entities within the XIX Entertainment LP group.

#### 5 Taxation on profit on ordinary activities

	2021 £	2020 £
Taxation on profit on ordinary activities	-	-
	<u>          </u>	<u>          </u>

#### Factors affecting tax charge for the year

The tax assessed for the year is Less than (2020 – less than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	165,853	72,088
	<u>          </u>	<u>          </u>
Profit on ordinary activities multiplied by standard rate of		
Corporation tax in the UK of % (2020 - 19%)	31,512	13,746
Adjustment in relation to prior periods	20,851	-
Group relief	(31,512)	(13,746)
	<u>          </u>	<u>          </u>
Total tax charge for the year	20,851	-
	<u>          </u>	<u>          </u>

The company has estimated losses of £Nil (2020 - £Nil) available for carry forward against future trading profits.

## XIX/DB Label Limited

### Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

#### 6 Fixed asset investments

	Group undertakings £
<i>Cost</i>	
At 1 January 2021 and at 31 December 2021	49
<i>Net book value</i>	
At 31 December 2020 and at 31 December 2021	49

#### *Participating interest*

The principal undertaking in which the company has an interest at the year-end is as follows:

Company	Country of registration or incorporation	Percentage of issued ordinary share capital held	Nature of business
Sign of the Times Records Limited	England and Wales	49%	Production and exploitation of musical recordings

The amount of capital and reserves for the last relevant financial year was a deficit of £468,474 (2020 - £468,474), and the result of this undertaking for the last relevant financial year was a loss of £Nil (2020 - £Nil).

The last relevant financial period for Sign Of The Times Records Limited was the year ended 31 March 2021.

The registered office of the participating interest is 9 Derry Street, London, W8 5HY.

#### 7 Debtors

	2021 £	2020 £
Amounts owed from group undertakings	267,205	34,745
Other debtors and Prepaid Expenses	25,000	600
Accrued income	25,879	97,736
	<u>318,084</u>	<u>133,081</u>

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

	2021 £	2020 £
Trade creditors	-	3,600
Amounts owed to group undertakings	23,709	23,709
Accruals	7,375	4,625
Sales taxes	20,000	-
Corporation tax	20,851	-
	<u>71,935</u>	<u>31,934</u>

## XIX/DB Label Limited

### Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

#### 9 Share capital

	Allotted, called up and fully paid			
	2021	2020	2021	2020
	Number	Number	£	£
Ordinary shares of £1 each	100	100	100	100

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

#### 10 Control

The immediate parent company is XIX/DB Limited, a company incorporated in England and Wales. The ultimate parent entity is XIX Entertainment LP, a limited partnership formed in the United States, which is controlled by S Fuller

#### 11 Related party relationships and transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

#### 11 Post balance sheet events

There are no post balance sheet events which require disclosure in the financial statements at the date of approval.

#### 12 Audit Report

An audit of the company's financial statements was carried out by BDO LLP as statutory auditor who reported to the company's member on 20 December 2022. The auditor's report was signed by Joe Lucey as senior statutory auditor and was unqualified. The audit report drew attention to the material uncertainty in relation to going concern, which is outlined in more detail in note 1 to these financial statements.