

COMPANY REGISTRATION NUMBER: 08275462

BC Music Media Ltd
Filleted Unaudited Financial Statements
31 March 2023



BURGESS HODGSON LLP

Chartered Accountants
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

BC Music Media Ltd
Financial Statements
Year ended 31 March 2023

Contents	Page
Statement of financial position	1
Notes to the financial statements	3

BC Music Media Ltd
Statement of Financial Position
31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	–	296,591
Tangible assets	6	27,961	28,000
Investments	7	100	100
		<u>28,061</u>	<u>324,691</u>
Current assets			
Debtors	8	3,558,637	1,900,318
Cash at bank and in hand		251,048	365,979
		<u>3,809,685</u>	<u>2,266,297</u>
Creditors: amounts falling due within one year	9	<u>13,420,620</u>	<u>12,532,990</u>
Net current liabilities		<u>9,610,935</u>	<u>10,266,693</u>
Total assets less current liabilities		<u>(9,582,874)</u>	<u>(9,942,002)</u>
Creditors: amounts falling due after more than one year	10	1,172,008	–
Provisions			
Taxation including deferred tax		–	(1,482)
Net liabilities		<u>(10,754,882)</u>	<u>(9,940,520)</u>
Capital and reserves			
Called up share capital		1	1
Capital contribution reserve		18,147	17,851
Profit and loss account		<u>(10,773,030)</u>	<u>(9,958,372)</u>
Shareholders deficit		<u>(10,754,882)</u>	<u>(9,940,520)</u>

These 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 Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

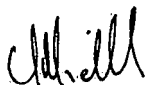
The statement of financial position
continues on the following page.
The notes on pages 3 to 9 form part of these financial statements.

BC Music Media Ltd

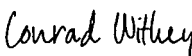
Statement of Financial Position *(continued)*

31 March 2023

These financial statements were approved by the board of directors and authorised for issue on ~~30/01/2023~~ and are signed on behalf of the board by:



Mr C S Mindenhall
Director

DocuSigned by:

DE92B9DC8283447...

Mr C Withey
Director

Company registration number: 08275462

The notes on pages 3 to 9 form part of these financial statements.

BC Music Media Ltd
Notes to the Financial Statements
Year ended 31 March 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Scale Space 1st Floor, 58 Wood Lane, London, W12 7RZ, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors continue to review the potential business impact of COVID-19 on costs and revenues and how these might also be managed and mitigated. They have also considered the potential business impact of the events in Ukraine with particular reference to how these may disrupt their business model, strategy and operations. The directors are satisfied that these reviews showed no material risks to the business.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they conclude that the financial statements should continue to be prepared on a going concern basis.

Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in Section 399 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

BC Music Media Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 March 2023****3. Accounting policies** *(continued)***Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Development costs	-	50% straight line
Music catalogues	-	10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

BC Music Media Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% straight line
Equipment	- 20% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Share based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

BC Music Media Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

4. Employee numbers

The average number of persons employed by the company during the year amounted to 33 (2022: 34).

5. Intangible assets

	Development costs £	Brand licences £	Total £
Cost			
At 1 April 2022	28,500	296,591	325,091
Additions	—	—	—
Disposals	—	(296,591)	(296,591)
At 31 March 2023	28,500	—	28,500
Amortisation			
At 1 April 2022 and 31 March 2023	28,500	—	28,500
Carrying amount			
At 31 March 2023	—	—	—
At 31 March 2022	—	296,591	296,591

The directors have considered the brand licences intangible and believe it is better represented as a debtor, as this relates to an advance paid to an artist being settled by deduction of income. This is more aligned with a current asset and has therefore been moved to other debtors.

6. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2022	14,669	69,241	83,910
Additions	—	12,300	12,300
Disposals	—	(4,514)	(4,514)
At 31 March 2023	14,669	77,027	91,696
Depreciation			
At 1 April 2022	14,115	41,795	55,910
Charge for the year	474	10,812	11,286
Disposals	—	(3,461)	(3,461)
At 31 March 2023	14,589	49,146	63,735
Carrying amount			
At 31 March 2023	80	27,881	27,961
At 31 March 2022	554	27,446	28,000

BC Music Media Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

7. Investments

	Shares in group undertakings £
Cost	
At 1 April 2022 and 31 March 2023	<u>100</u>
Impairment	
At 1 April 2022 and 31 March 2023	<u>—</u>
Carrying amount	
At 31 March 2023	<u>100</u>
At 31 March 2022	<u>100</u>

8. Debtors

	2023 £	2022 £
Trade debtors	312,446	246,348
Amounts owed by group undertakings and undertakings in which the company has a participating interest	980,507	804,826
Other debtors	2,265,684	849,144
	<u>3,558,637</u>	<u>1,900,318</u>

9. Creditors: amounts falling due within one year

	2023 £	2022 £
Loans	—	1,200,000
Trade creditors	100,461	139,968
Amounts owed to group undertakings and undertakings in which the company has a participating interest	11,198,015	9,998,015
Social security and other taxes	56,537	97,317
Wages & Pension	14,558	18,714
Other creditors	2,051,049	1,078,976
	<u>13,420,620</u>	<u>12,532,990</u>

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

	2023 £	2022 £
Other creditors	<u>1,172,008</u>	<u>—</u>

BC Music Media Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

11. Share based payments

The company has share option schemes for senior employees where they are granted share options in the holding company. As all of the service is supplied to BC Music Media Limited, they incur the entire cost in its profit and loss and show the equivalent increase to equity as a capital contribution from its shareholder.

The directors believe the value of the services received is equal to the fair value of the share equity-settled options granted and therefore, is measured at the grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The model assumes the government gilt rate at the time of issue as the risk free rate, and has used 30% as its volatility, which is similar to public companies undertaking comparable trades.

All share options can only be exercised to the extent it has been vested under their individual vesting schedule and before the tenth anniversary of its date of grant. There are no performance-related conditions of exercise applying to these options. A summary of the grant dates, number issues, number remaining and vesting period for the equity-settled share options are as follows:

	No. Issued	No. Remaining	Vesting period
Granted Sep-17			Vesting 25% at the end of year 1 and 2 and 50% in year 3
	12,500	10,000	
Granted Apr-19			25% vesting immediately and 25% per annum thereafter
	35,288	5,500	
Granted Apr-19			25% vesting annually
	16,250	1,250	

No options were exercised during the year.

The total expense recognised in the profit and loss for the year was £296 (2022: £3,840).

The following table illustrates the number, the weighted average exercise price and movements in share options during the year:

	2023 No.	2023 WAEP £	2022 No.	2022 WAEP £
Outstanding B/Fwd	48,288	4.31	49,038	4.32
Forfeited/ lapsed/cancelled	(31,538)	4.85	(750)	4.85
Outstanding C/Fwd	16,750	3.30	48,288	4.31

12. Related party transactions

At the year end the company owed £11,198,015 (2022: £9,868,015) to companies in the same group.

At the year end the company was owed £980,507 (2022: £804,826) from companies in the same group.

At the year end the company had loans of £15,990 (2022: £15,990) owed to companies associated through common control.

At the year end the company had trade debtors and trade creditors of £nil and £60,440 respectively (2022: £nil and £57,423 respectively) with companies associated through common control and directorship.

BC Music Media Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

13. Controlling party

The immediate and ultimate parent company at the balance sheet date was BC Music Holdings Ltd, a company registered in Jersey. The registered office of the company is No.2 The Forum, Grenville Street, St Helier, Jersey, JE1 4HH.