

**GEARBOX RECORDS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Gearbox Records Ltd
Unaudited Financial Statements
For The Year Ended 30 June 2022

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Gearbox Records Ltd
Balance Sheet
As at 30 June 2022

Registered number: 08877667

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	3		1,638,494		1,427,750
Tangible Assets	4		47,607		60,861
Investments	5		10,000		10,000
			<u>1,696,101</u>		<u>1,498,611</u>
CURRENT ASSETS					
Stocks	6	250,982		243,557	
Debtors	7	283,431		180,677	
Cash at bank and in hand		28,886		140,171	
		<u>563,299</u>		<u>564,405</u>	
Creditors: Amounts Falling Due Within One Year	8	(353,187)		(98,038)	
		<u></u>		<u></u>	
NET CURRENT ASSETS (LIABILITIES)			<u>210,112</u>		<u>466,367</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,906,213</u>		<u>1,964,978</u>
Creditors: Amounts Falling Due After More Than One Year	9		(121,732)		(40,000)
			<u></u>		<u></u>
NET ASSETS			<u>1,784,481</u>		<u>1,924,978</u>
CAPITAL AND RESERVES					
Called up share capital	10		173,159		173,159
Share premium account			2,013,228		2,013,228
Profit and Loss Account			(401,906)		(261,409)
			<u>1,784,481</u>		<u>1,924,978</u>
SHAREHOLDERS' FUNDS			<u>1,784,481</u>		<u>1,924,978</u>

Gearbox Records Ltd
Balance Sheet (continued)
As at 30 June 2022

For the year ending 30 June 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Darrel Sheinman

Director

14/09/2022

The notes on pages 3 to 7 form part of these financial statements.

Gearbox Records Ltd
Notes to the Financial Statements
For The Year Ended 30 June 2022

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Exemptions for Qualifying Entities Under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its individual financial statements:

- from the requirement to prepare consolidated financial statements on the basis that the parent, and the group headed by it, qualify as small as set out in section 383 of the Act and the parent and the group are considered eligible for the exemption as determined by reference to sections 384 and 399(2A) of the Act.

1.2. Going Concern Disclosure

The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the company's ability to continue as a going concern.

1.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.4. Intangible Fixed Assets and Amortisation - Other Intangible

Other intangible assets refer to the value of the recording catalogue. The revaluation model is applied and carried at its market value.

1.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	10% straight line
Computer Equipment	25% straight line

1.6. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

1.7. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Gearbox Records Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 June 2022

1.8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.9. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.10. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

1.11. Royalties

Royalty income is included on a receivable basis calculated on sales of records arising during each financial year as reported by licensees. Where royalty income cannot be reliably estimated for the period, it is recognised on a receipts basis. Where income is received but not accompanied by sufficient data to a recognisable project, the income is recognised on subsequent receipt of that data. Royalties payable are charged against relevant income of the same period except where they are paid in advance, carried forward and recognised as an asset such advances relate to current released and unreleased products and where it is estimated that future royalties will be earned from recoupment from those products.

Advances received are carried forward and recognised over the expected life of each individual license.

1.12. Advances to artists

Advances to artists represent advances made direct to artists for recording and other costs made on behalf of artists under contract. These advances, which are only recoverable against future royalties, are charged to the profit and loss account as they are recouped or where the probability for future recoupment in respect thereof is unlikely.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 6 (2021: 6)

Gearbox Records Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 June 2022

3. Intangible Assets

	Other Intangible Assets
	£
Cost or Valuation	
As at 1 July 2021	1,434,085
Additions	212,674
As at 30 June 2022	<u>1,646,759</u>
Amortisation	
As at 1 July 2021	6,335
Provided during the period	1,930
As at 30 June 2022	<u>8,265</u>
Net Book Value	
As at 30 June 2022	<u>1,638,494</u>
As at 1 July 2021	<u>1,427,750</u>

4. Tangible Assets

	Plant & Machinery	Computer Equipment	Total
	£	£	£
Cost			
As at 1 July 2021	136,611	5,940	142,551
Additions	-	749	749
As at 30 June 2022	<u>136,611</u>	<u>6,689</u>	<u>143,300</u>
Depreciation			
As at 1 July 2021	78,399	3,291	81,690
Provided during the period	12,836	1,167	14,003
As at 30 June 2022	<u>91,235</u>	<u>4,458</u>	<u>95,693</u>
Net Book Value			
As at 30 June 2022	<u>45,376</u>	<u>2,231</u>	<u>47,607</u>
As at 1 July 2021	<u>58,212</u>	<u>2,649</u>	<u>60,861</u>

Gearbox Records Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 June 2022

5. Investments

	Unlisted £
Cost	
As at 1 July 2021	10,000
As at 30 June 2022	10,000
Provision	
As at 1 July 2021	-
As at 30 June 2022	-
Net Book Value	
As at 30 June 2022	10,000
As at 1 July 2021	10,000

The Company holds a 50% equity investment in Acoustic Trademarks Limited (an unlisted entity), a company that leases intellectual property. The investment is accounted for using the equity method.

6. Stocks

	2022 £	2021 £
Stock - finished goods	250,982	243,557
	250,982	243,557

7. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	26,680	37,193
Prepayments and accrued income	168,662	88,808
Other debtors	66,331	54,676
Corporation tax recoverable assets	21,758	-
	283,431	180,677

8. Creditors: Amounts Falling Due Within One Year

	2022 £	2021 £
Trade creditors	40,652	23,792
Other taxes and social security	16,467	7,262
VAT	14,889	16,243
Other creditors	-	4,848
Bank loan <1 year	9,747	10,000
Other loans < 1 year	43,056	-
Accruals and deferred income	228,376	35,893
	353,187	98,038

Gearbox Records Ltd
Notes to the Financial Statements (continued)
For The Year Ended 30 June 2022

9. Creditors: Amounts Falling Due After More Than One Year

	2022	2021
	£	£
Bank loans	30,746	40,000
Other loans > 1 year	90,986	-
	<u>121,732</u>	<u>40,000</u>

10. Share Capital

	2022	2021
Allotted, Called up and fully paid	173,159	173,159

11. Directors Advances, Credits and Guarantees

Included within Debtors are the following loans to directors:

	As at 1 July 2021	Amounts advanced	Amounts repaid	Amounts written off	As at 30 June 2022
	£	£	£	£	£
Mr Darrel Sheinman	5,332	(34,476)	45,468	-	16,324

The above loan is unsecured and repayable on demand. Included within the loan was 2% interest p.a charge.

12. Related Party Transactions

At the balance sheet date Mr Sheinman, a director of the company owed £16,324 to the company (2021 : £5,332).

The company transacted with The Specialist Factory Limited during the year, a company owned and controlled by Mr Sheinman. At the year end the company was owed £46,783 from The Specialist Factory Limited (2021 : £17,290).

13. General Information

Gearbox Records Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 08877667 . The registered office is 8 Tileyard Road, London, N7 9AH.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.