

COMPANY REGISTRATION NUMBER: 12782535

Instrumental Music Finance Ltd
Filleted Unaudited Financial Statements
31 March 2023



BURGESS HODGSON LLP

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Instrumental Music Finance Ltd

Financial Statements

Year ended 31 March 2023

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Instrumental Music Finance Ltd

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	4,912,094	2,226,547
Current assets			
Debtors	6	2,648,679	1,310,850
Cash at bank and in hand		179,386	8,058
		<u>2,828,065</u>	<u>1,318,908</u>
Creditors: amounts falling due within one year	7	2,136,071	1,378,636
Net current assets/(liabilities)		<u>691,994</u>	<u>(59,728)</u>
Total assets less current liabilities		5,604,088	2,166,819
Creditors: amounts falling due after more than one year	8	4,586,092	2,552,279
Net assets/(liabilities)		<u>1,017,996</u>	<u>(385,460)</u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve		2,144,321	—
Profit and loss account		<u>(1,126,425)</u>	<u>(385,560)</u>
Shareholders funds/(deficit)		<u>1,017,996</u>	<u>(385,460)</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 6 form part of these financial statements.

Instrumental Music Finance Ltd

Statement of Financial Position *(continued)*

31 March 2023

These financial statements were approved by the board of directors and authorised for issue on ~~30/11/2023~~ and are signed on behalf of the board by:



C S Mindenhall
Director

Company registration number: 12782535

The notes on pages 3 to 6 form part of these financial statements.

Instrumental Music Finance 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, 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.

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. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. 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 for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Instrumental Music Finance Ltd

Notes to the Financial Statements (continued)

Year ended 31 March 2023

3. Accounting policies (continued)

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 carried at revalued amounts, 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. The Catalogue assets are deemed to have an active market with the fair value being determined by using industry accepted 10 x multiples, multiplied by annual revenue from the intangible.

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:

Catalogue assets	-	5% straight line
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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.

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.

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.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 2 (2022: 2).

Instrumental Music Finance Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

5. Intangible assets

	Catalogue assets £
Cost	
At 1 April 2022	2,269,613
Additions	613,003
Revaluations	2,029,478
At 31 March 2023	4,912,094
Amortisation	
At 1 April 2022	43,066
Charge for the year	71,777
Revaluations	(114,843)
At 31 March 2023	—
Carrying amount	
At 31 March 2023	4,912,094
At 31 March 2022	2,226,547

6. Debtors

	2023 £	2022 £
Trade debtors	—	5,708
Other debtors	2,648,679	1,305,142
	<u>2,648,679</u>	<u>1,310,850</u>

7. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	198,923	42,105
Amounts owed to group undertakings and undertakings in which the company has a participating interest	951,929	791,948
Other creditors	985,219	544,583
	<u>2,136,071</u>	<u>1,378,636</u>

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

	2023 £	2022 £
Bank loans and overdrafts	<u>4,586,092</u>	<u>2,552,279</u>

Bank loans of £4,615,231 (2022: £2,552,279) are secured by a fixed and floating charge over the assets of the company.

Instrumental Music Finance Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

9. Related party transactions

At the year end the company had a loan creditor of £951,929 (2022: £791,948) with companies associated through common control and/or directorship.

10. Controlling party

The immediate parent company at the balance sheet date was BC Music Media Ltd, a company registered in the United Kingdom. The ultimate parent company at the balance sheet date was BC Music Holdings Ltd, a company registered in Jersey, with registered offices at No.2 The Forum, Grenville Street, St Helier, Jersey, JE1 4HH.