

UNIVERSAL EDITION (LONDON) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2022

BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	<u>6,349</u>	<u>7,469</u>
		6,349	7,469
Current assets			
Stocks	5	108,006	115,205
Debtors: amounts falling due within one year	6	251,014	206,670
Cash at bank and in hand	7	<u>372,161</u>	<u>407,533</u>
		731,181	729,408
Creditors: amounts falling due within one year	8	<u>(181,740)</u>	<u>(138,042)</u>
Net current assets		549,441	591,366
Total assets less current liabilities		555,790	598,835
Pension liability		<u>(196,000)</u>	<u>(307,000)</u>
Net assets		359,790	291,835
Capital and reserves			
Called up share capital		100,000	100,000
Share premium account		73,500	73,500
Profit and loss account		<u>186,290</u>	<u>118,335</u>
		359,790	291,835

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:

.....
S Ragg

Director

Date: 26 May 2023

The notes on pages 2 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. General information

Universal Edition (London) Limited is a private company limited by shares, incorporated in England. The company's registered number is 00315891 and its registered office is Unit 62, Dartford Business Park, Victoria Road, Dartford, Kent, DA1 5FS.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements have been prepared in £ sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

Management have made an assessment of the entity's ability to continue as a going concern. In making its assessment, management have considered the performance of the company and the ongoing support from group that it will continue to receive. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the company's operations. This includes the reduction of live music events. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of its financial position taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact, including the group support noted above.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 period 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 period-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 Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.7 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.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 income 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 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	15%	reducing balance
Office equipment	-	15%	reducing balance

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 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.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2021 - 3).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

4. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 July 2021	8,020	23,638	31,658
At 30 June 2022	8,020	23,638	31,658
Depreciation			
At 1 July 2021	7,019	17,170	24,189
Charge for the year on owned assets	150	970	1,120
At 30 June 2022	7,169	18,140	25,309
Net book value			
At 30 June 2022	851	5,498	6,349
At 30 June 2021	1,001	6,468	7,469

5. Stocks

	2022 £	2021 £
Finished goods and goods for resale	108,006	115,205
	<u>108,006</u>	<u>115,205</u>

6. Debtors

	2022 £	2021 £
Trade debtors	6,738	2,241
Amounts owed by group undertakings	180,720	137,178
Other debtors	8,789	4,652
Prepayments and accrued income	6,912	5,599
Deferred taxation	47,855	57,000
	<u>251,014</u>	<u>206,670</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	372,161	407,533
	<u>372,161</u>	<u>407,533</u>

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	141,922	112,220
Amounts owed to group undertakings	17,888	5,828
Corporation tax	5,413	3,686
Other taxation and social security	1,829	2,665
Other creditors	788	143
Accruals and deferred income	13,900	13,500
	<u>181,740</u>	<u>138,042</u>

9. Deferred taxation

	2022 £
At beginning of year	57,000
Charged to other comprehensive income	(9,145)
At end of year	<u>47,855</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(1,145)	-
Pension deficit	49,000	57,000
	<u>47,855</u>	<u>57,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

10. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

A full actuarial valuation was carried out as at 1 July 2010, which was updated to 30 June 2022 by a qualified independent actuary.

Reconciliation of present value of plan liabilities:

	2022 £	2021 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	2,326,000	2,439,000
Interest cost	39,000	36,000
Actuarial (gains)/losses	(261,000)	(43,000)
Benefits paid	(115,000)	(106,000)
At the end of the year	<u>1,989,000</u>	<u>2,326,000</u>

Reconciliation of present value of plan assets:

	2022 £	2021 £
At the beginning of the year	2,019,000	2,064,000
Interest income	34,000	31,000
Actuarial (losses)/gains	(182,000)	(15,000)
Contributions	46,000	46,000
Benefits paid	(115,000)	(106,000)
Pension scheme expenses	(9,000)	(1,000)
At the end of the year	<u>1,793,000</u>	<u>2,019,000</u>

	2022 £	2021 £
Fair value of plan assets	1,793,000	2,019,000
Present value of plan liabilities	(1,989,000)	(2,326,000)
Net pension scheme liability	<u>(196,000)</u>	<u>(307,000)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2022 £	2021 £
Net finance cost	6,000	6,000
Total	6,000	6,000
Actual return on scheme assets	(182,000)	(15,000)
	(182,000)	(15,000)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022	2021
Discount rate at the end of the period	3.75%	1.7%
Rate of increase in future pensions in payment:		
- RPI to 5% a year	3.15%	2.75%
Increases to pension in deferment	3.60%	1.85%
CPI Inflation assumption	3.60%	1.85%
RPI Inflation assumption	3.25%	2.85%
Mortality rates		
- for a male aged 65 now	87.1	87.1
- at 65 for a male aged 45 now	88.7	88.7
- for a female aged 65 now	89.3	89.2
- at 65 for a female member aged 45 now	90.7	90.7

11. Parent company

The immediate and ultimate parent company and parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is M.U.V.A. AG, a company incorporated in Switzerland. Copies of these group financial statements are available from Handelsregister, Switzerland.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

12. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2022 was unqualified.

The audit report was signed on 26 May 2023 by John Coverdale BSc FCA (Senior Statutory Auditor) on behalf of MHA.

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.