

MELTED STONE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



MELTED STONE LIMITED

COMPANY INFORMATION

Company secretary	A Adkins
Registered number	06555877
Registered office	5th Floor 89 New Bond Street London W1S 1DA
Independent auditors	Deloitte LLP Statutory Auditors Abbots House Abbey Street Reading RG1 3BD

MELTED STONE LIMITED

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MELTED STONE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The principal activities of Melted Stone Limited continued to be the provision of music recording services.

Business review

The performance of the company is measured by reference to turnover and the level of artist activity. The company saw a decrease in turnover from £10,731,315 to £4,915,747 and a decrease in profit after tax from £5,197,027 to £483,546 in the year. This decrease was in line with the director's expectations.

The company had a net asset position at the balance sheet date of £2,899,107 reducing from positive position of £4,665,561 in 2016.

Future developments


The company will continue to exploit the existing recordings and the director expects the turnover to remain strong.

Principal risks and uncertainties

As a recording company, the company's success is dependent on that of the artist and the production of new material. To date, the artist has had phenomenal international success with her first three albums which have earned her numerous industry awards and huge popularity.

The company's principal instrument is cash. As such, it is not exposed to liquidity or credit risk, due mainly to the nature of its income being royalties. It does, however, receive a significant amount of its income in US dollars and, as such, is exposed to the changes in foreign currency exchange rates. It is the company policy to continually monitor movements in the exchange rate and take appropriate actions as necessary.

This report was approved by the board and signed on its behalf.


.....
A Adkins
Secretary

Date: 26.9.18

MELTED STONE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents her report and the financial statements for the year ended 31 December 2017.

Principal risks and uncertainties

Details of principal risks and uncertainties can be found in the Strategic Report on page 1.

Results and dividends

The profit for the year, after taxation, amounted to £483,546 (2016 - £5,197,027).

The results for the year are presented in the Strategic Report. An interim ordinary dividend was paid amounting to £2,250,000 (2016 - £14,200,000). The director does not recommend payment of a final dividend.

Director

The director who served during the year and up to the date of signing was:

A Adkins

Future developments

Details of future developments can be found in the Strategic Report on page 1.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

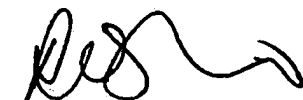
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
A Adkins
Secretary

Date: 26.9.18

MELTED STONE LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The director is responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MELTED STONE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MELTED STONE LIMITED

Opinion

In our opinion the financial statements of Melted Stone Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of comprehensive income;
- the Balance sheet;
- the Statement of changes in equity;
- the Statement of cash flows;
- the statement of accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic and director's report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

MELTED STONE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MELTED STONE LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the director's report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the director's report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

MELTED STONE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MELTED STONE LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Evans.

Andrew Evans, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom

Date: 28 September, 2018

MELTED STONE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	4,915,747	10,731,315
Cost of sales		(2,480,883)	(2,248,111)
Gross profit		2,434,864	8,483,204
Administrative expenses		(1,872,929)	(2,074,816)
Operating profit	5	561,935	6,408,388
Interest receivable and similar income	8	37,026	86,805
Interest payable and expenses	9	(7)	(61)
Profit before tax		598,954	6,495,132
Tax on profit	10	(115,408)	(1,298,105)
Profit for the financial year		483,546	5,197,027

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 11 to 17 form part of these financial statements.

MELTED STONE LIMITED**REGISTERED NUMBER:
06555877****BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	11	5,568,489	7,192,602
Cash at bank and in hand		25,564,468	19,038,479
		<u>31,132,957</u>	<u>26,231,081</u>
Creditors: amounts falling due within one year	12	(15,733,850)	(9,065,520)
Net current assets		<u>15,399,107</u>	<u>17,165,561</u>
Total assets less current liabilities		<u>15,399,107</u>	<u>17,165,561</u>
Creditors: amounts falling due after more than one year	13	(12,500,000)	(12,500,000)
Net assets		<u><u>2,899,107</u></u>	<u><u>4,665,561</u></u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		2,899,106	4,665,560
		<u><u>2,899,107</u></u>	<u><u>4,665,561</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2018



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A Adkins
Director

The notes on pages 11 to 17 form part of these financial statements.

MELTED STONE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	1	13,668,533	13,668,534
Comprehensive income for the year			
Profit for the year	-	5,197,027	5,197,027
Total comprehensive income for the year	-	5,197,027	5,197,027
Dividends paid on equity shares	-	(14,200,000)	(14,200,000)
Total transactions with owners	-	(14,200,000)	(14,200,000)
At 1 January 2017	1	4,665,560	4,665,561
Comprehensive income for the year			
Profit for the year	-	483,546	483,546
Total comprehensive income for the year	-	483,546	483,546
Dividends paid on equity shares	-	(2,250,000)	(2,250,000)
Total transactions with owners	-	(2,250,000)	(2,250,000)
At 31 December 2017	1	2,899,106	2,899,107

The notes on pages 11 to 17 form part of these financial statements.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Cash flows from operating activities

	2017	2016
	£	£
Profit for the financial year	483,546	5,197,027
Adjustments for:		
Interest paid	7	61
Interest received	(37,026)	(86,805)
Taxation charge	115,408	1,298,105
Decrease in debtors (Note 11)	1,385,336	8,895,734
Decrease/(increase) in amounts owed by connected companies	518,051	(350,983)
Increase/(decrease) in creditors (Note 12)	5,403,710	(13,430,656)
(Decrease) in amounts owed to connected companies	(557,676)	(21,181)
Corporation tax (paid)	(822,385)	(394,975)
Foreign exchange	477,922	(879,308)
Net cash generated from operating activities	6,966,893	227,019

Cash flows from investing activities

Interest received (Note 8)	37,026	86,805
Net cash from investing activities	37,026	86,805

Cash flows from financing activities

Interest paid (note 9)	(7)	(61)
Net cash used in financing activities	(7)	(61)

Net increase in cash and cash equivalents

	7,003,912	313,763
Cash and cash equivalents at beginning of year	19,038,479	17,845,408
Foreign exchange gains and losses	(477,922)	879,308

Cash and cash equivalents at the end of year

	25,564,469	19,038,479
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Cash and cash equivalents at the end of year comprise:

Cash at bank and in hand	25,564,469	19,038,479
	25,564,469	19,038,479

The notes on pages 11 to 17 form part of these financial statements.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Melted Stone Limited is a private company, limited by shares and is incorporated in England and Wales. The address of its registered office and principal place of business is 5th Floor, 89 New Bond Street, London W1S 1DA.

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

2.2 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound sterling.

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 that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Turnover represents advances and royalties receivable which are recognised in respect of each of their royalty accounting periods ending within the company's financial year. Non-returnable advances are taken to income when contractually due.

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 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 the Statement of comprehensive income 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.

2.7 Taxation

Tax is recognised in the Statement of comprehensive income, 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 corporate 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.

2.8 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.

2.9 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.10 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.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.11 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of comprehensive income.

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.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The director does not consider there to be any critical judgements in applying the company's accounting policies nor key sources of estimation uncertainty that require disclosure.

4. Turnover

The whole of the turnover and pre-tax results are attributable to the principal activity of the company as described in the director's report.

No analysis of turnover by geographical market has been provided due to the complexities of obtaining royalty income information of this kind.

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

5. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Auditors' remuneration in respect of auditing of the financial statement	12,850	17,000
Foreign exchange (gain)/loss	(477,922)	879,308
Defined contribution pension cost	-	10,000

6. Employees

Staff costs, including director's remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	1,022,000	2,350,000
Social security costs	136,909	320,181
Cost of defined contribution scheme	-	10,000
	1,158,909	2,680,181

The average monthly number of employees, including the director, during the year was as follows:

	2017 No.	2016 No.
Director	1	1

7. Director's remuneration

	2017 £	2016 £
Director's emoluments	1,022,000	2,350,000
Other pension costs	-	10,000
	1,022,000	2,360,000

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,022,000 (2016 - £2,350,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2016 - £10,000).

MELTED STONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Interest receivable

	2017	2016
	£	£
Bank and other interest receivable	37,026	86,805
	<u>37,026</u>	<u>86,805</u>
	<u><u>37,026</u></u>	<u><u>86,805</u></u>

9. Interest payable and similar expenses

	2017	2016
	£	£
Other interest payable	7	61
	<u>7</u>	<u>61</u>
	<u><u>7</u></u>	<u><u>61</u></u>

10. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	115,408	1,298,105
	<u>115,408</u>	<u>1,298,105</u>
	<u><u>115,408</u></u>	<u><u>1,298,105</u></u>
Total current tax	<u>115,408</u>	<u>1,298,105</u>
	<u><u>115,408</u></u>	<u><u>1,298,105</u></u>
Taxation on profit on ordinary activities	<u>115,408</u>	<u>1,298,105</u>
	<u><u>115,408</u></u>	<u><u>1,298,105</u></u>

MELTED STONE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	598,954	6,495,132
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	115,278	1,299,026
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	130	601
Adjustments to tax charge in respect of prior periods	-	(1,522)
Total tax charge for the year	115,408	1,298,105

11. Debtors

	2017	2016
	£	£
Trade debtors	15,835	15,835
Amounts owed by connected companies	635,473	1,153,524
Other debtors	433,713	-
Prepayments	2,500,000	3,522,987
Accrued income	1,983,468	2,500,256
	5,568,489	7,192,602

12. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,533	61,431
Amounts owed to connected companies	-	557,676
Corporation tax	115,408	543,112
Other taxation and social security	185,539	1,374,786
Director's current account and other creditors	13,538,016	5,794,814
Accruals	1,855,994	733,701
Deferred income	37,360	-
	15,733,850	9,065,520

MELTED STONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017 £	2016 £
Accruals and deferred income	12,500,000	12,500,000
	<u>12,500,000</u>	<u>12,500,000</u>

14. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1 (2016 - 1) Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>

15. Pension commitments

The company operates a defined contributions scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £Nil (2016 - £10,000).

16. Related party transactions

During the year, the company recharged expenses of £16,182 (2016 - £380,962) to a connected company.

During the year, the company was also recharged expenses of £71,825 (2016 - £8,798) from a connected company

At the year end, a total intercompany balance of £635,473 (2016 - £595,848) was owed from connected companies.

At the year end the company owed the director £13,538,016 (2016 - £5,794,815).

The loans are interest free and repayable on demand.

17. Controlling party

The company is controlled by A Adkins by virtue of her 100% shareholding.