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**MERCURY SONGS LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**MERCURY SONGS LIMITED**  
**REGISTERED NUMBER: 01346089**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	3,215	3,572
		<u>3,215</u>	<u>3,572</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	453,482	3,763,396
Cash at bank and in hand		5,587,886	1,702,343
		<u>6,041,368</u>	<u>5,465,739</u>
Creditors: amounts falling due within one year	7	(1,260,005)	(2,167,347)
<b>Net current assets</b>		<u>4,781,363</u>	<u>3,298,392</u>
<b>Total assets less current liabilities</b>		<u>4,784,578</u>	<u>3,301,964</u>
<b>Net assets</b>		<u><u>4,784,578</u></u>	<u><u>3,301,964</u></u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		4,784,576	3,301,962
		<u>4,784,578</u>	<u>3,301,964</u>

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**MERCURY SONGS LIMITED**  
**REGISTERED NUMBER: 01346089**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 income and retained earnings 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:

**A Saleh**

Director

Date: 24 March 2021

The notes on pages 3 to 8 form part of these financial statements.

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## MERCURY SONGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1. General information

Mercury Songs Limited ('the Company') is a private company limited by shares, incorporated under the UK Companies Acts 1948 to 1976 and domiciled in England. The address of the Company's registered office is Regina House, 124 Finchley Road, London, NW3 5JS.

#### 2. Accounting policies

##### 2.1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented, unless otherwise stated.

##### 2.2 Basis of preparation of financial statements

The financial statements of Mercury Songs Limited 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 UK Companies Act 2006.

The preparation of financial statements in conformity with Financial Reporting Standard 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Details of those estimates and/or judgments made in applying the Company's accounting policies towards the preparation of these financial statements that may be considered as yielding a significant risk of a material adjustment being made to the carrying amounts of assets and/or liabilities reported in the balance sheet during the next financial reporting period are disclosed in note 3 to the financial statements.

##### 2.3 Going concern

The directors having reviewed the performance of the Company up to the date these financial statements were approved, taking into account of possible changes in trading performance, have determined that the Company will be able to operate within the level of its current facilities and there exists a reasonable expectation that adequate resources shall be available at the Company's disposal in order for it to continue in operational existence for the foreseeable future.

While there will always remain inherent uncertainty, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern and therefore consider it appropriate to continue to adopt the going concern basis in preparing these financial statements and to not recognise any adjustments in the financial statements that would arise if the going concern basis were to become no longer appropriate.

##### 2.4 Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency").

The functional currency of the Company, and the currency in which the financial statements are presented (the "presentational currency"), is 'Pounds Sterling' (£) rounded to the nearest single unit of currency.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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**2. Accounting policies (continued)**

**2.5 Foreign currency translation**

Foreign currencies are translated into the functional (and presentational) currency using the exchange rates prevailing at the date of the respective transaction or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**2.6 Revenue**

Turnover comprises revenue recognised by the Company in respect of service fees, royalties and advances receivable from the exploitation of intellectual property in connection with rights, titles and interests held during the reporting period.

Revenue is recognised as the fair value of the consideration received or receivable excluding Value Added Tax when the Company receives notification of amounts due in respect of royalties and advances and upon invoice in respect of service fees with amounts accrued and/or deferred in accordance with the terms of the underlying contract.

**2.7 Taxation**

The tax expense for the financial reporting period comprises solely of current (i.e. corporation) taxation and is recognised in profit or loss.

Current taxation is calculated using tax rates and on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The directors of the Company periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and will establish provisions, where appropriate, on the basis of amounts expected to be payable to the respective tax authorities.

**2.8 Tangible fixed assets**

Tangible fixed assets are recognised under the cost model and 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 upon acquisition.

Depreciation is provided on the following basis:

Other fixed assets	-	10%	reducing balance
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Depreciation of a tangible fixed asset commences once the asset is available for use. The residual value and depreciation basis of tangible fixed assets are reviewed, and adjusted prospectively where deemed appropriate, if there is an indication of a significant change since the last balance sheet 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 31 AUGUST 2020

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**2. Accounting policies (continued)**

**2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities; with said financial assets and liabilities classified in accordance with the substance of the underlying contractual obligations rather than its legal form.

Financial assets and liabilities are recognised in the balance sheet upon the Company becoming party to the contractual provisions of the instrument.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or the financial asset is transferred along with substantially all the risks and rewards of ownership of the asset to another party. Financial liabilities are derecognised only when the underlying obligations are discharged, cancelled or expired.

The measurement of specific financial assets, financial liabilities, and equity held is as outlined below:

**Debtors and creditors**

Debtors and creditors deemed to be short term in nature are initially measured at transaction price (i.e fair value) and subsequently held, at transaction price less provision for impairment of assets. The Company held no debtors and/or creditors deemed not to be short term in nature during the current or preceding financial reporting periods.

**Cash balances**

Cash balances are reported as being financial instruments classified as short term receivables and are represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours and subject to an insignificant risk of changes in value. Cash balances are held at floating interest rates linked to UK bank rates.

**Equity and dividends**

Ordinary share capital, shown in equity, is initially measured and subsequently held at its nominal value. Where the transaction price for issued shares exceeds their nominal value, the difference is shown under equity in a share premium account with any directly attributable transaction costs associated with the issuing of said shares deducted from said share premium account.

Equity dividends are recognised in the reporting period in which they become legally payable upon approval by the Company's shareholders.

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MERCURY SONGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the opinion of the directors, there were no areas of judgment in applying the principal accounting policies, outlined in note 2 of these financial statements, towards the preparation of these financial statements that may be considered as having a significant risk of causing a material adjustment to the carrying amount of assets and/or liabilities carried forward as at the balance sheet date where by which the actual future outcome observed may differ from that originally determined and reported.

In preparing the Company's financial statements, the directors may make estimates and assumptions concerning events that have transpired, or were ongoing, during the financial reporting period and continued after the balance sheet date. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors, there were no estimates and/or assumptions made towards the preparation of these financial statements that would be considered as having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period.

4. Employees

The average monthly number of employees, including directors, during the year was nil (2019: nil).

In accordance with UK legislation, office holders (i.e. registered company directors or secretaries) of the Company are not employees of the Company on the grounds that they are not party to a contract with the Company that meets the criteria for status of an employee.

5. Tangible fixed assets

	Other fixed assets £
<b>Cost or valuation</b>	
At 1 September 2019	48,100
At 31 August 2020	48,100
<b>Depreciation</b>	
At 1 September 2019	44,528
Charge for the year on owned assets	357
At 31 August 2020	44,885
<b>Net book value</b>	
At 31 August 2020	3,215
At 31 August 2019	3,572

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MERCURY SONGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

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**6. Debtors**

	2020 £	2019 £
Trade debtors	11,033	60,000
Other debtors	-	25,515
Prepayments and accrued income	442,449	3,677,881
	<u>453,482</u>	<u>3,763,396</u>

Trade and other debtors falling due within one year are non-interest bearing and, in the opinion of the directors, of a fair value not materially different to their carrying value.

At the balance sheet date, the provision for impairment against trade and other debtors falling due within one year was £nil (2019: £nil).

**7. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Corporation tax	451,791	707,432
Other taxation and social security	58,126	-
Other creditors	2,693	1,051
Accruals and deferred income	747,395	1,458,864
	<u>1,260,005</u>	<u>2,167,347</u>

**8. Financial instruments**

The Company held no financial instruments during either the current or preceding financial reporting periods that would require specific disclosure under sections 1.12, 11 or 12 of Financial Reporting Standard 102 and paragraph 36 of Schedule 1 to the Companies Act 2006.



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## MERCURY SONGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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#### 9. Related party transactions

During the year, the following transactions were undertaken by the Company with companies of which Mr J L Libson and Mr H J Beach, in their capacity as trustees of the Mr F Mercury Will Trust, are in control of:

- Service fees of £75,000 (2019: £50,000) were charged by Mightytape Limited to the Company. As at the balance sheet date, the Company owed Mightytape Limited £nil (2019: £nil); and
- Management fees of £50,000 (2019: £50,000) were charged by Goose Productions Limited. The balance due to Goose Productions Limited as at the balance sheet date was £nil (2019: £nil).

During the year the Company incurred commissions of £148,624 (2019: £63,174) payable to Accounta Trust reg., an entity of which Mr H J Beach is a beneficiary. The balance due to Accounta Trust reg. as at the balance sheet date was £174,660 (2019: £40,755).

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.