
MERCURY SONGS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

MERCURY SONGS LIMITED
REGISTERED NUMBER: 01346089

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	4,410	4,900
		<u>4,410</u>	<u>4,900</u>
Current assets			
Debtors: amounts falling due within one year	5	647,735	239,577
Cash at bank and in hand		1,767,083	531,874
		<u>2,414,818</u>	<u>771,451</u>
Creditors: amounts falling due within one year	6	(1,119,432)	(589,111)
Net current assets		<u>1,295,386</u>	<u>182,340</u>
Total assets less current liabilities		<u>1,299,796</u>	<u>187,240</u>
Net assets		<u>1,299,796</u>	<u>187,240</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	1,299,794	187,238
		<u>1,299,796</u>	<u>187,240</u>

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 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 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:

Amin Saleh

Director

Date: 26 April 2018

The notes on pages 2 to 6 form part of these financial statements.

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

1. General information

Mercury Songs Limited ('the Company') is a private company limited by shares, incorporated under the UK Companies Act 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 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.

There are no critical judgments nor any critical accounting estimates made in applying the Company's accounting policies towards the preparation of the financial statements in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The policies applied under the Company's previous accounting framework are not materially different to those applied under Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland. Consequently, there has been no material impact on equity brought forward nor total comprehensive income reported for the preceding reporting period.

2.2 Foreign currency translation

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 financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions and balances

Foreign currency translations are translated into the functional currency using the exchange rates prevailing at the dates of the transactions 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 the statement of comprehensive income.

2.3 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 interest in respect of the Estate of the Late Mr Freddie Mercury during the reporting period exclusive of Value Added Tax.

Revenue is recognised as and when the Company receives notification of amounts due in respect of royalties and advances receivable with amounts accrued and/or deferred in accordance with the terms of the underlying contract.

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

2. Accounting policies (continued)

2.4 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:

Memorabilia	-	20%
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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 the statement of comprehensive income.

2.5 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 Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Debt instruments that are payable or receivable within one year, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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 statement of financial position 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.

Financial instruments are derecognised when either;

- the contractual rights to the cash flows expire or are settled, or;
- substantially all the risks and rewards of ownership are transferred to another party; or;
- despite having retained some significant risks and rewards of ownership, control has been transferred to another party who has the practical ability to unilaterally trade the instrument to an unrelated third party without imposing additional restrictions

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

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 Creditors

Short term creditors are measured at the transaction price.

2.9 Share capital and dividends

Ordinary share capital, shown in equity, is initially measured at transaction price with incremental costs directly attributable to the issue of said Ordinary shares shown in equity as a deduction, net of tax, from consideration receivable.

Equity dividends are recognised in the period in which they become legally payable with interim equity dividends recognised when paid and final equity dividends recognised when approved by the shareholders at an annual general meeting.

2.10 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Employees

The Company had no employees, other than its directors and company secretary, during the current and preceding financial reporting periods.

MERCURY SONGS LIMITED

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

4. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 September 2016	48,100
At 31 August 2017	48,100
Depreciation	
At 1 September 2016	43,200
Charge for the year	490
At 31 August 2017	43,690
Net book value	
At 31 August 2017	4,410
At 31 August 2016	4,900

5. Debtors

	2017 £	2016 £
Trade debtors	27,075	1,418
Other debtors	1,640	59,796
Prepayments and accrued income	619,020	178,363
	<u>647,735</u>	<u>239,577</u>

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Corporation tax	263,890	64,014
Other taxation and social security	67,107	-
Accruals and deferred income	788,435	525,097
	<u>1,119,432</u>	<u>589,111</u>

MERCURY SONGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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7. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

8. Reserves

Profit & loss account

The profit and loss account of £1,299,794 (2016: £187,238) includes all current and prior period retained profits and losses net of amounts distributed to the Company's equity shareholders.

9. Related party transactions

Key management personnel

The directors of the Company are recognised as being the key management personnel of Mercury Songs Limited. It is these individuals whom together hold joint responsibility for planning, directing and controlling the activities of Mercury Songs Limited.

No remuneration was payable to key management personnel during the current and preceding financial reporting periods.

Other related parties

During the year the Company incurred licence fees of £30,000 (2016: £30,000) payable to Mightytape Limited, a company controlled by Mr John L Libson and Mr Henry J Beach, the executors of the Estate of the Late Mr Freddie Mercury. The balance due to Mightytape Limited as at the reporting date was £nil (2016: £nil).

During the year the Company incurred management and service fees of £40,000 (2016: £40,000) payable to Goose Productions Limited, a company under the control of Mr John L Libson and Mr Henry J Beach, the executors of the Estate of the Late Mr Freddie Mercury. The balance due to Goose Productions Limited as at the reporting date was £nil (2016: £nil).

During the year the Company also incurred commissions of £38,378 (2016: £10,385) payable to Accounta Trust reg. of which Mr Henry J Beach is a beneficiary. The balance due to Accounta Trust reg. at the reporting date was £30,775 (2016: £21,024).

10. Controlling party

The Company was under the control of Mr John L Libson and Mr Henry J Beach as executors of the Estate of the Late Mr Freddie Mercury throughout the year to date.

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.