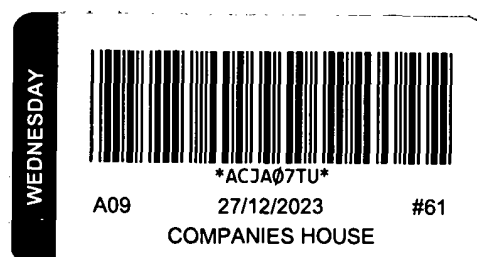


Registered number: 03505185

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2022 TO 31 DECEMBER 2022



ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

COMPANY INFORMATION

Directors	D Cutting (appointed 17 July 2023) M Dowling (appointed 17 July 2023) H Semmence S Wills B Vidal (appointed 19 May 2022, resigned 11 April 2023) R Neri (appointed 19 May 2022, resigned 31 March 2023) G Sannitz (appointed 19 May 2022, resigned 28 November 2022)
Registered number	03505185
Registered office	Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ
Independent auditor	Rawlinson & Hunter Audit LLP Statutory Auditor Chartered Accountants Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 6
Profit and Loss Account	7
Balance Sheet	8 - 9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 22

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their report and the financial statements of Absolute Marketing and Distribution Limited ("the Company") for the period from 1 April 2022 to 31 December 2022. The comparatives are unaudited and are for the year ended 31 March 2022.

Principal activity

The principle activity of the Company is that of music marketing and distribution.

Results and dividends

The loss for the period, after taxation, amounted to £71,716 (31 March 2022 - profit £1,131).

The directors do not recommend a final dividend for the period ended 31 December 2022 (31 March 2022 - £294,275).

Directors

The directors who served during the period and at the date of this report were:

D Cutting (appointed 17 July 2023)
M Dowling (appointed 17 July 2023)
H Semmence
S Wills
B Vidal (appointed 19 May 2022, resigned 11 April 2023)
R Neri (appointed 19 May 2022, resigned 31 March 2023)
G Sannitz (appointed 19 May 2022, resigned 28 November 2022)

Principal risks and uncertainties

Macro-economic risk

The directors have considered the implications of the Ukraine and other conflicts and rising inflationary effects put in place business continuity plans that should allow the company to continue in operation.

Foreign exchange risk

The Company is exposed to movement in foreign exchange rates as a result of transactions with international clients and suppliers. The Company manages these risks by maintaining foreign currency bank accounts in the main currencies it operates in - Sterling Pound, Euro, US Dollar, Australian Dollar, Canadian Dollar, Swedish Krona, Japanese Yen, Norwegian Krone and Danish Krone.

Liquidity risk

The Company carefully manages the liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with the suppliers' payment terms.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

Post balance sheet events

On 17 July 2023, Utopia Music AG transferred its shareholding in the Company back to the directors of the Company.

Auditor

Under section 487(2) of the Companies Act 2006, Rawlinson & Hunter Audit LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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


In preparing these financial statements, the directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

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

S Wills
Director


Simon Wills (Dec 21, 2023 10:30 GMT)

Date: 21/12/2023

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

Opinion

We have audited the financial statements of Absolute Marketing and Distribution Limited ("the Company") for the period from 1 April 2022 to 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE MARKETING AND DISTRIBUTION LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Directors' Report and Financial Statements other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Opinion 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE MARKETING AND DISTRIBUTION LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively simple business model and low volume of transactions within the Company there are comparatively few unexpected items in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large or unusual entries;
- the analytical review of the profit and loss account for variances that are either unexpected or considered not to be in accordance with our understanding of the business during the period;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Company for previously unreported related party transactions;
- review of transactions and journals for any indication of fraud or management override; and
- assessment of the appropriateness of the going concern basis used with reference to the Company's current performance and expectations for future periods.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE MARKETING AND
DISTRIBUTION LIMITED (CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Other matters

We draw your attention to the fact that the financial statements of the Company for the year ended 31 March 2022 were unaudited. We have obtained sufficient and appropriate evidence to ensure that the opening balances do not contain misstatements that materially affect the current year's financial statements.

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.



Yueling Wei (Senior Statutory Auditor)

for and on behalf of
Rawlinson & Hunter Audit LLP

Statutory Auditor
Chartered Accountants

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date:

21 December 2023

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	9 months ended 31 December 2022 £	12 months ended 31 March 2022 £
Turnover	4,012,469	4,519,513
Cost of sales	(3,230,734)	(3,612,043)
Gross profit	781,735	907,470
Administrative expenses	(847,757)	(999,647)
Operating loss	(66,022)	(92,177)
Interest receivable and similar income	888	154
Loss before tax	(65,134)	(92,023)
Tax on (loss)/profit	(6,582)	93,154
(Loss)/profit for the financial period / year	(71,716)	1,131

There were no recognised gains and losses for the 9 months ended 31 December 2022 or year ended 31 March 2022 other than those included in the profit and loss account.

The notes on pages 11 to 22 form part of these financial statements.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED
REGISTERED NUMBER: 03505185

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	31 December 2022 £	31 March 2022 £
Fixed assets			
Intangible assets	7	500,942	113,764
Tangible assets	8	34,972	37,093
		<u>535,914</u>	<u>150,857</u>
Current assets			
Debtors: amounts falling due within one year	9	2,524,311	1,835,565
Cash at bank and in hand	10	101,625	125,658
		<u>2,625,936</u>	<u>1,961,223</u>
Creditors: amounts falling due within one year	11	(2,459,724)	(1,359,560)
Net current assets		<u>166,212</u>	<u>601,663</u>
Total assets less current liabilities		<u>702,126</u>	<u>752,520</u>
Provisions for liabilities			
Deferred tax	13	(21,322)	-
		<u>(21,322)</u>	<u>-</u>
Net assets		<u><u>680,804</u></u>	<u><u>752,520</u></u>
Capital and reserves			
Called up share capital	14	170	170
Profit and loss account		680,634	752,350
		<u>680,804</u>	<u>752,520</u>


ABSOLUTE MARKETING AND DISTRIBUTION LIMITED
REGISTERED NUMBER: 03505185

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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 were approved and authorised for issue by the board and were signed on its behalf by:

S Wills
Director


Simon Wills (Dec 21, 2023 10:30 GMT)

Date: 21/12/2023

The notes on pages 11 to 22 form part of these financial statements.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2022	170	752,350	752,520
Comprehensive income for the period			
Loss for the period	-	(71,716)	(71,716)
At 31 December 2022	170	680,634	680,804

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2021	100	-	751,289	751,389
Comprehensive income for the year				
Profit for the year	-	-	1,131	1,131
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(294,275)	(294,275)
Shares issued during the year	70	294,205	-	294,275
Transfer of share premium to profit and loss account	-	(294,205)	294,205	-
At 31 March 2022	170	-	752,350	752,520

On 21 February 2022, a special resolution was passed by shareholders to cancel share premium in the total aggregate amount of £294,205 and the amount by which the share premium was so reduced be credited to the reserve and treated as realised profit.

The notes on pages 11 to 22 form part of these financial statements.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. General information

Absolute Marketing and Distribution Limited ("the Company") is a private company, limited by shares, incorporated in England and Wales with registration number 03505185. The registered office address is Eighth Floor, 6 New Street Square, New Fetter Lane, London, EC4A 3AQ.

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 following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The Company expects the continued support of its current parent undertaking and the shareholders, who have provided confirmation to provide financial support as is necessary for the Company to meet its liabilities as they fall due and continue in operation for a period of at least twelve months from the date of signing of the financial statements of the Company.

The directors have additionally considered the impact of the Ukraine and other conflicts. They have concluded that whilst these do have some impact on the Company, the Company will nevertheless be able to continue as a going concern for the foreseeable future.

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.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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:

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 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

2.7 Interest income

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

2.8 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.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the period 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.

2.10 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Internally generated intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.11 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.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over lease period
Plant and machinery	- 20% Straight line

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.

2.12 Intangible assets - software development

Intangible assets which relate to software development are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Cost comprises of staff costs which are deemed to be directly attributable to the development of the intangible asset.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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.

2.17 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification, this is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

2.18 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.

2.19 Related party transaction exemption

The Company has taken advantage of the exemption within Financial Reporting Standard 102 - Section 1A, in respect of disclosure of transactions with any group companies that are wholly owned within the group.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

3. Auditor's remuneration

During the period, the Company obtained the following services from the Company's auditor:

	9 months ended 31 December 2022 £	12 months ended 31 March 2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	17,000	-

4. Employees

The average monthly number of employees, including directors, during the period was 19 (2022 - 22).

5. Directors' remuneration

	9 months ended 31 December 2022 £	12 months ended 31 March 2022 £
Directors' emoluments	166,188	8,784
	166,188	8,784

6. Dividends

	9 months ended 31 December 2022 £	12 months ended 31 March 2022 £
Dividends paid	-	294,275
	-	294,275

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

7. Intangible assets - software development

	Software development £
Cost	
At 1 April 2022	113,764
Additions	270,199
Intra-group transfers	116,979
At 31 December 2022	500,942
 Net book value	
At 31 December 2022	500,942
At 31 March 2022	113,764

The assets were still being developed, hence they were not amortised.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

8. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2022	17,126	212,339	229,465
Additions	-	4,979	4,979
Disposals	(17,126)	-	(17,126)
At 31 December 2022	-	217,318	217,318
Depreciation			
At 1 April 2022	17,126	175,246	192,372
Charge for the period on owned assets	-	7,100	7,100
Disposals	(17,126)	-	(17,126)
At 31 December 2022	-	182,346	182,346
Net book value			
At 31 December 2022	-	34,972	34,972
At 31 March 2022	-	37,093	37,093

9. Debtors

	31 December 2022 £	31 March 2022 £
Trade debtors	521,393	200,347
Amounts owed by group undertakings	452,548	51,278
Other debtors	1,343,010	1,334,027
Prepayments and accrued income	207,360	235,061
Deferred taxation	-	14,852
	2,524,311	1,835,565

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

10. Cash and cash equivalents

	31 December 2022 £	31 March 2022 £
Cash at bank and in hand	101,625	125,658
	<u>101,625</u>	<u>125,658</u>

11. Creditors: Amounts falling due within one year

	31 December 2022 £	31 March 2022 £
Trade creditors	447,614	403,557
Amounts owed to group undertakings	1,066,039	238,146
Other taxation and social security	252,866	108,230
Other creditors	352,437	202,860
Accruals and deferred income	340,768	406,767
	<u>2,459,724</u>	<u>1,359,560</u>

12. Financial instruments

	31 December 2022 £	31 March 2022 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>101,625</u>	<u>125,658</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

13. Deferred taxation

	31 December 2022 £
At beginning of period	14,852
Charged to profit or loss	(36,174)
At end of period	(21,322)

The deferred taxation balance is made up as follows:

	31 December 2022 £	31 March 2022 £
Accelerated capital allowances	(33,041)	(9,273)
Tax losses carried forward	573	24,125
Short term timing differences	11,146	-
	(21,322)	14,852

14. Share capital

	31 December 2022 £	31 March 2022 £
Allotted, called up and fully paid		
85 (2022 - 85) Ordinary shares of £1.00 each	85	85
85 (2022 - 85) B Ordinary shares of £1.00 each	85	85
	170	170

Each class of share in issue are entitled to dividends or other distributions, subject to the right of the directors to declare dividends at different rates on individual classes of shares. Only Ordinary Shares have voting rights.

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

15. Pension commitments

The Company operates a defined contributions pension 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. Contributions totalling £2,291 (31 March 2022 - £74) were payable from the fund at the balance sheet date.

16. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2022 £	31 March 2022 £
Not later than 1 year	35,212	35,212
Later than 1 year and not later than 5 years	140,848	-
Later than 5 years	35,212	-
	<u>211,272</u>	<u>35,212</u>

ABSOLUTE MARKETING AND DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

17. Related party transactions

Dividends totalling £Nil (31 March 2022 - £294,275) were paid in the period in respect of shares.

At the balance sheet date, a total of £818,082 was owed by the directors (31 March 2022 - £778,848). These amounts are unsecured, interest free and repayable on demand.

Included in other debtors at the period end is unpaid shares of £294,205 (31 March 2022 - £294,205) due from the directors who are also shareholders; and S455 tax liability due from the directors of £198,586 (31 March 2022: 198,586).

Included in other debtors at the period end is unpaid shares of £299,160 (31 March 2022 - £913) due from Absolute Label Services Limited, a group company at the period end date. These amounts are unsecured, interest free and repayable on demand.

Included in other debtors at the period end is £153,388 (31 March 2022 - £50,365) due from Absolute Rights Management Limited, a group company at the period end date. These amounts are unsecured, interest free and repayable on demand.

Included in other creditors at the period end is £963,897 (31 March 2022 - £237,615) due to Absolute Label Services Limited, a group company at the period end date. These amounts are unsecured, interest free and repayable on demand.

Includes in other creditors at the period end is £93,142 (31 March 2022 - £531) due to Absolute Rights Management Limited, a group company at the period end date. These amounts are unsecured, interest free and repayable on demand.

During the year the company charged management fees of £Nil (31 March 2022 - £55,000) to Absolute Rights Management Limited, a group company at the period end date.

During the year the company was charged management fees of £202,500 (31 March 2022 - £250,000) by Absolute Label Services Limited, a group company at the period end date.

18. Post balance sheet events

On 17 July 2023, Utopia Music AG transferred its shareholding in the Company back to the directors of the Company.

19. Controlling party

The Company's parent company was Utopia Music AG ("Utopia") up to 17 July 2023 when Utopia transferred the Company back to the directors of the Company.