

COMPANY REGISTRATION NUMBER: 04719448

Coolabi Licensing Limited
Filleted Unaudited Financial Statements
31 December 2022

THURSDAY



A08 *ACIUONSW* #345
21/12/2023
COMPANIES HOUSE

Coolabi Licensing Limited**Statement of Financial Position****31 December 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	6	365,679	400,193
Tangible assets	7	8,328	15,471
		<u>374,007</u>	<u>415,664</u>
Current assets			
Debtors	8	2,053,071	1,853,610
Cash at bank and in hand		106	1,201
		<u>2,053,177</u>	<u>1,854,811</u>
Creditors: amounts falling due within one year	9	(2,541,611)	(1,984,451)
Net current liabilities		<u>(488,434)</u>	<u>(129,640)</u>
Total assets less current liabilities		<u>(114,427)</u>	<u>286,024</u>
Net (liabilities)/assets		<u>(114,427)</u>	<u>286,024</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(114,429)	286,022
Shareholders (deficit)/funds		<u>(114,427)</u>	<u>286,024</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

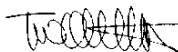
The notes on pages 3 to 9 form part of these financial statements.

Coolabi Licensing Limited

Statement of Financial Position *(continued)*

31 December 2022

These financial statements were approved by the board of directors and authorised for issue on 13 December 2023, and are signed on behalf of the board by:



T Ricketts
Director

Company registration number: 04719448

The notes on pages 3 to 9 form part of these financial statements.

Coolabi Licensing Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4th Floor, 9 Kingsway, London, WC2B 6XF, England.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the presentational currency of the entity.

The company has taken advantage of Part A, section 479 of The Companies Act 2006, in which the parent company, Coolabi Group Limited, has guaranteed all outstanding liabilities of the company as at the balance sheet date.

Going concern

The Company has received confirmation from Coolabi Group Limited, a group undertaking that they will continue to support the Company for a period of at least 12 months from signing the financial statements. After making enquiries, the Directors have reviewed the financial position of the Company, including the arrangements with group undertakings, and believe that the Company has adequate resources to continue in operational existence for the foreseeable future and to successfully manage any identified risks and uncertainties. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details on the going concern status of the Group can be obtained from Coolabi Group Limited financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Coolabi Group Limited which can be obtained from 4th Floor, 9 Kingsway, London, WC2B 6XF. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

There are no material judgements or estimates used in the preparation of these financial statements.

Coolabi Licensing Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Revenue

Licensing and merchandising

Non-refundable advances and minimum guarantees are recognised upon contract signature in accordance with the substance of the contract, providing the Company has performed all its contractual obligations. Royalties earned in excess of such advances are recognised in the period to which they relate.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Coolabi Licensing Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Intangible fixed assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The methods of amortisation chosen reflect the patterns in which the assets' future economic benefits are expected to be consumed. Intangibles are assessed for impairment at each financial year end.

The following are the main categories of intangible assets:

Digital assets and non-fungible tokens (NFTs):

Digital assets, including websites and digital applications, are capitalised at cost and amortised on a straight line bases. Amortisation rates are recorded below.

NFTs are assets which do not qualify as cash and cash equivalents or financial assets, and have an active market which provides pricing information on an ongoing basis. NFTs have an indefinite useful life and are measured at fair value. Under the revaluation model, intangible assets are measured at cost on initial recognition and subsequently measured at fair value. Revaluation increases over the initial cost are recognised in other comprehensive income. Revaluation gains are recognised in the statement of comprehensive income to the extent that the gain reverses a revaluation decrease of the same asset that was previously recognised in the statement of comprehensive income. A revaluation decrease is recognised in the statement of comprehensive income. However, the decrease should be recognised in other comprehensive income to the extent of any credit balance in the revaluation surplus in respect of that asset.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Intellectual property rights	-	5 years
Digital assets	-	3 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at purchase cost.

Depreciation is provided at rates calculated so as to write off the cost of the assets less estimated residual value over their estimated useful lives on a straight line basis as follows:

Coolabi Licensing Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Style guides and costume characters - 5 years

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured at fair value, net of transaction costs, and are measured subsequently at amortised cost.

Cash

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities.

Current and deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

4. Auditor remuneration

The audit fee of the Company in respect of the prior year was borne by Coolabi Group Limited, a group company.

5. Employees

The company had no employees in the period (31/12/2021: none).

Coolabi Licensing Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

6. Intangible assets

	Intellectual property rights £	Digital assets / NFTs £	Total £
Cost			
At 1 January 2022	31,526	1,032,145	1,063,671
Additions	–	1,002,407	1,002,407
At 31 December 2022	31,526	2,034,552	2,066,078
Amortisation			
At 1 January 2022	31,526	631,952	663,478
Charge for the year	–	204,921	204,921
Impairment losses	–	832,000	832,000
At 31 December 2022	31,526	1,668,873	1,700,399
Carrying amount			
At 31 December 2022	–	365,679	365,679
At 31 December 2021	–	400,193	400,193

7. Tangible assets

	Style guides and costume characters £
Cost	
At 1 January 2022 and 31 December 2022	130,310
Depreciation	
At 1 January 2022	114,839
Charge for the year	7,143
At 31 December 2022	121,982
Carrying amount	
At 31 December 2022	8,328
At 31 December 2021	15,471

8. Debtors

	2022 £	2021 £
Trade debtors	(179)	39,537
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,727,959	1,168,824
Other debtors	325,291	645,249
	2,053,071	1,853,610

Amounts due from group undertakings are interest free, unsecured and repayable on demand.

Coolabi Licensing Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	–	9,437
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,521,472	1,937,694
Social security and other taxes	5,992	20,000
Other creditors	14,147	17,320
	<u>2,541,611</u>	<u>1,984,451</u>

Amounts due to group undertakings are interest free, unsecured and repayable on demand.

10. Contingencies

As at the prior year-end, the company was bound by a composite guarantee and debenture dated 15 November 2013 in favour of Edge Performance VCT PLC as security trustee for the A and B Loan Noteholders, between certain companies in the Coolabi Group Limited group, which secures any borrowings from the A and B Loan Noteholders under the A and B Loan Notes by any group company by way of charge over all the assets of all the group companies. This charge was released in full during the year.

The company was also bound by a composite guarantee and debenture dated 6 July 2016 in favour of Pula Media and Technology Limited as security trustee for the C Loan Noteholders, between certain companies in the Coolabi Group Limited group which secures any borrowing from the C Loan Noteholders under the C Loan Notes by any group companies by way of charge over all the assets of certain group companies. This charge was released in full during the year.

Following the Group's completion of the acquisition by Quest Digital Limited, on 7 July 2022 a debenture in favour of Apex Group Hold Co (UK) Limited (formerly Sanne Group (UK) Limited) was created as security trustee for the secured parties, as defined in the Senior Facility Agreement dated 7 July 2022, to pay, discharge and satisfy the secured obligations when they become due for payment, discharge and satisfaction in accordance with their respective terms and as defined in the Senior Facility Agreement. The debenture was created between Quest Digital Limited and certain companies in the Coolabi Group Limited group (Chargors), including Coolabi Licensing Limited, by way of fixed and floating charges over all the assets of certain group companies.

11. Events after the end of the reporting period

On 17 November 2023, Apex Group Hold Co (UK) Ltd (formerly Sanne Group (UK) Ltd), a trustee for the secured parties as defined in the Debenture created between Quest Digital Ltd, the immediate parent company of Coolabi Group Limited, and Apex Group Hold Co (UK) Ltd on 7 July 2022, appointed an administrator to Quest Digital Ltd under the Insolvency Act 1986. This appointment is a result of Quest Digital Ltd defaulting on its loan and financial obligations. At the date of these financial statements being issued for signing, Coolabi Group Ltd is not the subject of insolvency proceedings.

Coolabi Licensing Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

12. Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 not to disclose the transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

13. Controlling party

The Company's immediate parent undertaking is Coolabi Limited, a company incorporated in England and Wales. As at the year end, Talenhouse AG, a company incorporated in Switzerland and listed on Six Swiss Exchange is an ultimate controlling parent. There was not considered to be an ultimate controlling party.

The largest and smallest group of undertakings for which the group accounts have been drawn up is that headed by Coolabi Group Limited. Copies of the group financial statements can be obtained from that company's registered office being 4th Floor, 9 Kingsway, London, WC2B 6XF.