
ABSOLUTE LABEL SERVICES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2022

ABSOLUTE LABEL SERVICES LIMITED

COMPANY INFORMATION

Directors

S M Wills
D M Cutting (resigned 28 February 2022)
M P Dowling (resigned 28 February 2022)
H G S Semmence
R B Neri (appointed 19 May 2022)
G B G L Sannitz (appointed 19 May 2022)
B Vidal (appointed 19 May 2022)

Registered number 04998512

Registered office

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

Accountants

Rawlinson & Hunter LLP
Chartered Accountants
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

ABSOLUTE LABEL SERVICES LIMITED

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ABSOLUTE LABEL SERVICES LIMITED
REGISTERED NUMBER: 04998512

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	Restated 2021 £
Fixed assets			
Intangible assets	4	116,979	-
Tangible assets	5	7,690	5,105
Investments	6	73,316	-
		<u>197,985</u>	<u>5,105</u>
Current assets			
Stocks	7	-	210,144
Debtors: amounts falling due within one year	8	2,961,163	1,569,400
Cash at bank and in hand	9	1,294,245	2,138,562
		<u>4,255,408</u>	<u>3,918,106</u>
Creditors: amounts falling due within one year	10	(3,480,803)	(3,526,370)
Net current assets		<u>774,605</u>	<u>391,736</u>
Provisions for liabilities			
Deferred tax		(1,923)	(970)
		<u>(1,923)</u>	<u>(970)</u>
Net assets		<u><u>970,667</u></u>	<u><u>395,871</u></u>
Capital and reserves			
Called up share capital	13	5	4
Capital redemption reserve		2	2
Profit and loss account		970,660	395,865
		<u><u>970,667</u></u>	<u><u>395,871</u></u>

ABSOLUTE LABEL SERVICES LIMITED
REGISTERED NUMBER: 04998512

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

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 profit and loss account 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:

H G S Semmence
Director

Date: 10 February 2023

The notes on pages 4 to 13 form part of these financial statements.

ABSOLUTE LABEL SERVICES LIMITED

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

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 October 2019 (as restated)	4	-	1	143,186	143,191
Comprehensive income for the period					
Profit for the period	-	-	-	252,679	252,679
Total comprehensive income for the period	-	-	-	252,679	252,679
Purchase of own shares	-	-	1	-	1
Total transactions with owners	-	-	1	-	1
At 1 April 2021 (as restated)	4	-	2	395,865	395,871
Comprehensive income for the year					
Profit for the year	-	-	-	574,796	574,796
Total comprehensive income for the year	-	-	-	574,796	574,796
Dividends: Equity capital	-	-	-	(784,878)	(784,878)
Share premium issued during the year	-	784,877	-	-	784,877
Share premium cancellation	-	(784,877)	-	-	(784,877)
Shares issued during the year	1	-	-	-	1
Share premium transfer to profit and loss account	-	-	-	784,877	784,877
Total transactions with owners	1	-	-	(1)	-
At 31 March 2022	5	-	2	970,660	970,667

The notes on pages 4 to 13 form part of these financial statements.

See note 13 for details in relation to the restatement of share capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Absolute Label Services Limited is a private company limited by shares incorporated in England and

Wales with registration number 04998512. The registered office 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 following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2.3 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 financial support of the immediate parent undertaking, who has provided confirmation to provide such 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.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Revenue

Revenue is comprised of music marketing and distribution income. 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.

2.6 Interest income

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

2.7 Finance costs

Finance costs are charged to profit or loss 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 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:

Office equipment	- 25% on a straight line basis
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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 profit or loss.

2.12 Stocks

Stocks for property held for sale are measured at the lower of cost and net realisable value.

2.13 Intangible assets

Intangible assets 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.

Amortisation is charged on a straight line basis over a period of 5 years from when the intangible asset is available for use.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.15 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.16 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.

2.17 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.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 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 or from related parties and investments in ordinary shares.

Financial assets that are measured at 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.

2.20 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.

2.21 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.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2021 - 5).

ABSOLUTE LABEL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Intangible assets

	Software £
Cost	
Additions - internal	116,979
At 31 March 2022	<u>116,979</u>
Net book value	
At 31 March 2022	<u>116,979</u>
<i>At 31 March 2021</i>	<u>-</u>

5. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2021	14,581
Additions	5,754
At 31 March 2022	<u>20,335</u>
Depreciation	
At 1 April 2021	9,476
Charge for the year on owned assets	3,169
At 31 March 2022	<u>12,645</u>
Net book value	
At 31 March 2022	<u>7,690</u>
<i>At 31 March 2021</i>	<u>5,105</u>

ABSOLUTE LABEL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	73,316
At 31 March 2022	<u>73,316</u>

7. Stocks

	2022 £	2021 £
Property for sale	-	210,144
	<u>-</u>	<u>210,144</u>

8. Debtors

	2022 £	2021 £
Trade debtors	752,797	385,078
Other debtors	1,412,977	653,712
Prepayments and accrued income	795,389	530,610
	<u>2,961,163</u>	<u>1,569,400</u>

9. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>1,294,245</u>	<u>2,138,562</u>

ABSOLUTE LABEL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,089,611	1,167,683
Corporation tax	143,207	59,492
Other taxation and social security	350,044	6,473
Other creditors	490,269	1,014,648
Accruals and deferred income	1,407,672	1,278,074
	<u>3,480,803</u>	<u>3,526,370</u>

11. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>1,294,245</u>	<u>2,138,562</u>

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

12. Deferred taxation

	2022 £
At beginning of year	(970)
Charged to profit or loss	(953)
At end of year	<u>(1,923)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(1,923)	(970)
	<u>(1,923)</u>	<u>(970)</u>

ABSOLUTE LABEL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Share capital

	2022	<i>Restated</i> 2021
	£	£
Allotted, called up and fully paid		
270 (2021 - 200) Ordinary shares of £0.01 each	2.70	2.00
1 (2021 - 1) Ordinary A Non voting share of £1.00	1.00	1.00
10 (2021 - 10) Ordinary E Non voting shares of £0.01 each (as amended)	0.10	0.10
1 (2021 - 1) Ordinary C Non voting share of £1.00	1.00	1.00
	<hr/> 4.80	<hr/> 4.10

On 13 December 2021, a Court Order ordered that the register of members of the company was rectified by striking out the designation "£1.00 Ordinary E Shares" by inserting in lieu the designation "£0.01 Ordinary E shares", such rectification being deemed to have been made on, and to have retrospective effect from, 20 February 2019.

On 23 December 2021, 70 £0.01 Ordinary shares were issued with share premium of £11,212.53 per share. A special resolution was approved by shareholders on 21 February 2022 to cancel share premium in the total aggregate amount of £784,877 and the amount by which the share premium was so reduced be credited to a reserve and treated as realised profit.

14. 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 and amounted to £2,400 (2021 - £12,600). Contributions totalling £1 (2021 - £551 overpaid) were due to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Related party transactions

Dividends totalling £784,878 (2021- nil) were paid in the period in respect of shares held by the company's former directors.

Included in Creditors at year end is £38,683 (2021 - £910) due to H Semmence and £38,683 (2021 - £910) due to S Wills, the directors. These loans are unsecured, interest free and repayable on demand.

Included in Creditors at year end is £298,111 due to (2021 - £161,230 in Debtors due from) D Cutting, £114,792 due to (2021 - £105,487 in Debtors due from) M Dowling, the former directors. These loans are unsecured, interest free and repayable on demand.

At the balance sheet date, included in other Debtors is unpaid share premium of £784,877 (2021 - nil) due from the former directors.

During the year the company charged £250,000 (2021 - £375,000) in relation to management fees to Absolute Marketing & Distribution Limited, a company under common control.

Included in Debtors at the year end is £237,615 due from (2021 - £696,209 in Creditors due to) Absolute Marketing & Distribution Limited, a company under common control. This loan is unsecured, interest free and repayable on demand.

During the year the Company sold the property held in stock to the directors at open market value for consideration of £221,000.

16. Post balance sheet events

On 19 May 2022, the entire issued share capital of the company was acquired by Utopia Music AG which, from this date, became the ultimate parent undertaking. There is no ultimate controlling party.

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.