

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

EIGHTH DAY SOUND UK
LIMITED

MENZIES

EIGHTH DAY SOUND UK LIMITED

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EIGHTH DAY SOUND UK LIMITED

REGISTERED NUMBER:06968322

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	1,854,369	1,977,335
		<u>1,854,369</u>	<u>1,977,335</u>
Current assets			
Debtors: amounts falling due within one year	5	533,425	194,841
Cash at bank and in hand		502,862	59,785
		<u>1,036,287</u>	<u>254,626</u>
Creditors: amounts falling due within one year	6	(834,604)	(154,890)
Net current assets		<u>201,683</u>	<u>99,736</u>
Total assets less current liabilities		<u>2,056,052</u>	<u>2,077,071</u>
Creditors: amounts falling due after more than one year	7	(125,000)	(1,529,897)
Provisions for liabilities			
Deferred tax	9	(116,745)	(124,488)
		<u>(116,745)</u>	<u>(124,488)</u>
Net assets		<u><u>1,814,307</u></u>	<u><u>422,686</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		1,814,207	422,586
		<u><u>1,814,307</u></u>	<u><u>422,686</u></u>

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:

.....
T. A. Clair
Director

Date: 6 March 2023

The notes on pages 2 to 8 form part of these financial statements.

EIGHTH DAY SOUND UK LIMITED

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

1. General information

Eighth Day Sound UK Limited is a private company limited by shares incorporated in England and Wales. The principal place of business is 104 The Green, Twickenham, Middlesex, TW2 5AG.

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 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.

2.3 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. 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:

2.4 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.

2.5 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 Statement of comprehensive income in the same period as the related expenditure.

2.6 Interest income

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

EIGHTH DAY SOUND UK LIMITED

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

2. Accounting policies (continued)

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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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 reporting 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 reporting 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 reporting date.

2.10 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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:

Freehold property	-	2%	Straight line
Plant and machinery	-	15%	Reducing Balance
Fixtures and fittings	-	25%	Reducing Balance
Office equipment	-	25%	Reducing Balance

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.

2.11 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 reporting 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 Statement of financial position.

2.12 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.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2021 - 13).

EIGHTH DAY SOUND UK LIMITED

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

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2022	1,837,952	1,166,666	3,004,618
At 31 December 2022	1,837,952	1,166,666	3,004,618
Depreciation			
At 1 January 2022	346,662	680,621	1,027,283
Charge for the year on owned assets	36,759	86,207	122,966
At 31 December 2022	383,421	766,828	1,150,249
Net book value			
At 31 December 2022	1,454,531	399,838	1,854,369
<i>At 31 December 2021</i>	<i>1,491,290</i>	<i>486,045</i>	<i>1,977,335</i>

5. Debtors

	2022 £	2021 £
Trade debtors	496,065	78,435
Amounts owed by group undertakings	21,600	76,457
Other debtors	4,912	2,784
Prepayments and accrued income	10,757	10,846
Tax recoverable	91	26,319
	533,425	194,841

EIGHTH DAY SOUND UK LIMITED

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

6. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	50,000	50,000
Trade creditors	28,219	52,636
Amounts owed to group undertakings	270,701	-
Corporation tax	342,369	-
Other taxation and social security	72,313	43,324
Accruals and deferred income	71,002	8,930
	<u>834,604</u>	<u>154,890</u>

7. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loan	125,000	175,000
Amounts owed to group undertakings	-	1,354,897
	<u>125,000</u>	<u>1,529,897</u>

Amounts owed to group undertakings is an unsecured loan with interest charged at 0.52% per annum. The principle balance of the loan as well as any unpaid interest is due and entirely payable no later than 31 December 2029. There are no penalties for early repayment. The balance was repaid in full during the year ended 31 December 2022.

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

8. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Amounts falling due 2-5 years		
Bank loans	125,000	175,000
	<u>125,000</u>	<u>175,000</u>
	-	-
	<u>175,000</u>	<u>225,000</u>

The bank loan is secured by a debenture including a fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future.

9. Deferred taxation

	2022 £
At beginning of year	(124,488)
Charged to profit or loss	7,743
At end of year	<u><u>(116,745)</u></u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Tax losses carried forward	-	12,290
Short term timing differences	-	203
Fixed asset timing differences	(116,745)	(136,981)
	<u><u>(116,745)</u></u>	<u><u>(124,488)</u></u>

EIGHTH DAY SOUND UK LIMITED

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

10. Related party transactions

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

11. Controlling party

The Company's immediate parent company is Lititz Holdings Limited, incorporated in Ireland.

The ultimate parent company is Clair Global Family Holdings LLC which is registered in the United States of America.

The Company's results are included in the consolidated financial statements for Clair Global Corp. whose registered address is One Ellen Avenue, Lititz, PA 17543, United States.

This is the largest and smallest group of undertakings for which consolidated financial statements are prepared.

12. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 6 March 2023 by Andrew Hookway FCA (Senior statutory auditor) on behalf of Menzies LLP.

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.