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**MUTE ARTISTS LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 JUNE 2019**

**MUTE ARTISTS LIMITED**  
**REGISTERED NUMBER: 07035325**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	40,563	39,622
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	877,498	1,051,937
Cash at bank and in hand		12,027	19,671
		<u>889,525</u>	<u>1,071,608</u>
Creditors: amounts falling due within one year	6	(1,517,589)	(1,384,207)
<b>Net current liabilities</b>		<u>(628,064)</u>	<u>(312,599)</u>
<b>Total assets less current liabilities</b>		<u>(587,501)</u>	<u>(272,977)</u>
Creditors: amounts falling due after more than one year	7	(8,518,335)	(8,678,343)
<b>Net liabilities</b>		<u><u>(9,105,836)</u></u>	<u><u>(8,951,320)</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		(9,105,936)	(8,951,420)
		<u><u>(9,105,836)</u></u>	<u><u>(8,951,320)</u></u>

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 JUNE 2019**

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The director considers 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 director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings 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 on 27 March 2020.

**D O Miller**

Director

The notes on pages 3 to 7 form part of these financial statements.

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## MUTE ARTISTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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#### 1. General information

Mute Artists Limited is a private company limited by shares and registered in England & Wales. The address of its principal place of business is 1 Albion Place, London, W6 0QT.

#### 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 Going concern

At 30 June 2019 the company had net current liabilities of £628,064 and net liabilities of £9,105,836 and is dependent on the continued financial support of its shareholder, who has confirmed his intention to continue to financially support the company.

Existing funding facilities, forecasts and projections indicate that the company has adequate resources to continue with some level of activity from a minimal to full levels. Although the potential effect of the global coronavirus outbreak from January 2020 can be modelled, it is very difficult to determine the assumptions that will prove to be most appropriate and therefore there is an element of doubt existing that cannot be quantified.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements, but with the proviso that a material uncertainty exists over the company's 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 the statement of income and retained earnings.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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**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 during the year, excluding value added tax.

Revenue represents receivables from distributors and licensees in respect of earnings generated by contracted artists.

**2.5 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

**2.6 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 the statement of income and retained earnings 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.

**2.7 Taxation**

Tax is recognised in the statement of income and retained earnings, 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019

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**2. Accounting policies (continued)**

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Building improvements	- 10% on cost
Fixtures & fittings	- 33% on cost
Computer equipment	- 20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

**2.9 Debtors**

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

**Artist advances**

Royalty advances paid are carried forward at a recoverable value when it is estimated that sufficient future royalties will be earned to recoup the advances.

**2.10 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.

**2.11 Creditors**

Short term creditors are measured at the transaction price.

**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.

**3. Employees**

The average monthly number of employees, including directors, during the year was 7 (2018 - 6).

**MUTE ARTISTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**4. Tangible fixed assets**

	Building improvements £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 July 2018	63,599	27,872	14,090	105,561
Additions	-	3,091	5,339	8,430
At 30 June 2019	63,599	30,963	19,429	113,991
<b>Depreciation</b>				
At 1 July 2018	24,742	27,107	14,090	65,939
Charge for the year on owned assets	6,250	497	742	7,489
At 30 June 2019	30,992	27,604	14,832	73,428
<b>Net book value</b>				
At 30 June 2019	32,607	3,359	4,597	40,563
<b>At 30 June 2018</b>	38,857	765	-	39,622

**5. Debtors**

	2019 £	2018 £
Trade debtors	134,557	297,520
Other debtors	728,788	733,807
Prepayments and accrued income	14,153	20,610
	877,498	1,051,937

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**MUTE ARTISTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**6. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	55,843	79,004
Other taxation and social security	9,396	59,342
Other creditors	1,416,563	1,210,916
Accruals and deferred income	35,787	34,945
	<u>1,517,589</u>	<u>1,384,207</u>

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

	2019 £	2018 £
Other creditors	<u>8,518,335</u>	<u>8,678,343</u>

Other creditors are secured by a fixed and floating charge over the assets of the company.

**8. Pension commitments**

The company makes payments into the personal pension schemes of certain employees. The pension cost charge represents contributions paid by the company to the funds during the year. The amount outstanding at the balance sheet date was £2,952 (2018: £6,889).

**9. Related party transactions**

The company occupies a property owned by the director D O Miller. The company was charged a service fee of £62,990 (2018: £65,123) and charged a service fee of £44,403 (2018: £45,107) to Mute Song Limited, in respect of rent and other service charges. At the reporting date, the company owed £859,219 (2018: £684,872) to Mute Song Limited. Mute Song Limited is owned and controlled by D O Miller.

During the year the company charged management charges of £1,774 (2018: £1,810) to Mute Management Limited, a company owned and controlled by D O Miller. At the reporting date an amount of £694,160 (2018: £705,163) was owed by Mute Management Limited.

During the year the company charged service fees of £80,000 (2018: £80,000) to Artist Intelligence Partnerships LLC, a company owned and controlled by D O Miller. At the reporting date an amount of £249,787 (2018: £224,545) was owed to Artist Intelligence Partnership LLC.

The company received an interest free loan from the director, D O Miller. At the reporting date an amount of £8,518,335 (2018: £8,678,343) was outstanding.





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.