
MUTE ARTISTS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2021

MUTE ARTISTS LIMITED
REGISTERED NUMBER: 07035325

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	23,327	31,945
Current assets			
Debtors: amounts falling due within one year	5	1,009,519	941,994
Cash at bank and in hand		30,106	24,614
		<u>1,039,625</u>	<u>966,608</u>
Creditors: amounts falling due within one year	6	(1,666,908)	(1,713,001)
Net current liabilities		<u>(627,283)</u>	<u>(746,393)</u>
Total assets less current liabilities		<u>(603,956)</u>	<u>(714,448)</u>
Creditors: amounts falling due after more than one year	7	(8,347,444)	(8,414,420)
Net liabilities		<u><u>(8,951,400)</u></u>	<u><u>(9,128,868)</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(8,951,500)	(9,128,968)
		<u><u>(8,951,400)</u></u>	<u><u>(9,128,868)</u></u>

MUTE ARTISTS LIMITED
REGISTERED NUMBER: 07035325

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2021

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 14 April 2022.

D O Miller
Director

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 2021 the company had net current liabilities of £627,283 and net liabilities of £8,951,400 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 at the current activity levels.

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 some 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, rounded to the nearest £1.

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 2021

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 profit or loss 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 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.

2.7 Taxation

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 profit or loss.

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 Creditors

Short term creditors are measured at the transaction price.

2.11 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 8 (2020 - 8).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

4. Tangible fixed assets

	Building improvements £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 July 2020	63,599	30,963	19,429	113,991
	63,599			
At 30 June 2021	30,963	19,429	113,991	
Depreciation				
At 1 July 2020	37,242	28,904	15,900	82,046
Charge for the year on owned assets	6,250	1,300	1,068	8,618
	43,492			
At 30 June 2021	30,204	16,968	90,664	
Net book value				
At 30 June 2021	20,107	759	2,461	23,327
At 30 June 2020	26,357	2,059	3,529	31,945

5. Debtors

	2021 £	2020 £
Trade debtors	264,607	200,780
Other debtors	734,507	728,579
Prepayments and accrued income	10,405	12,635
	1,009,519	941,994

MUTE ARTISTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	35,001	21,254
Other taxation and social security	85,687	62,388
Other creditors	1,513,236	1,597,375
Accruals and deferred income	32,984	31,984
	<u>1,666,908</u>	<u>1,713,001</u>

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

	2021 £	2020 £
Other creditors	<u>8,347,444</u>	<u>8,414,420</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 £2,824 (2020: £2,734).

9. Related party transactions

The company occupies a property owned by the director D O Miller. The company was charged a service fee of £72,404 (2020: £76,744) and charged a service fee of £170,221 (2020: £169,294) to Mute Song Limited, in respect of rent and other service charges. At the reporting date, the company owed £1,158,351 (2020: £1,093,251) to Mute Song Limited. Mute Song Limited is owned and controlled by D O Miller.

During the year the company charged management charges of £1,000 (2020: £1,000) to Mute Management Limited, a company owned and controlled by D O Miller. At the reporting date an amount of £698,296 (2020: £696,695) was owed by Mute Management Limited.

During the year the company charged service fees of £80,000 (2020: £80,000) to Artist Intelligence Partnerships LLC, a company owned and controlled by D O Miller. At the reporting date an amount of £40,204 (2020: £191,414) 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 £8,347,444 (2020: £8,414,420) 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.