

Company Registration No. 07408989 (England and Wales)

5AM MUSIC LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017
PAGES FOR FILING WITH REGISTRAR



5AM MUSIC LIMITED

COMPANY INFORMATION

Directors	P Moross A D Ross P M F Hope
Secretary	A D Ross
Company number	07408989
Registered office	6-8 Kingly Court Kingly Street London W1B 5PW
Accountants	Wilson Wright LLP Chartered Accountants Thavies Inn House 3-4 Holborn Circus London EC1N 2HA

5AM MUSIC LIMITED

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5AM MUSIC LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	3	1,120,743		1,197,160	
Current assets					
Trade and other receivables	4	429,061		305,311	
Cash and cash equivalents		48,583		50,494	
		477,644		355,805	
Current liabilities	5	(49,628)		(93,908)	
Net current assets		428,016		261,897	
Total assets less current liabilities		1,548,759		1,459,057	
Equity					
Called up share capital	6	200,002		200,002	
Share premium account		1,800,000		1,800,000	
Retained earnings		(451,243)		(540,945)	
Total equity		1,548,759		1,459,057	

The directors of the company have elected not to include a copy of the income statement and directors' report within the financial statements.

For the financial year ended 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30/11/17 and are signed on its behalf by:



P Moross
Director

Company Registration No. 07408989

5AM MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

5AM Music Limited is a private company, limited by shares and incorporated in England and Wales. The registered office is 6-8 Kingly Court, Kingly Street, London, W1B 5PW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements of the company are consolidated in the financial statements of Cutting Edge Music (Holdings) Limited. These consolidated financial statements are available from its registered office, 6-8 Kingly Court, Kingly Street, London, W1B 5PW.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue comprises royalties receivable and the sale of rights to future income during the year. Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Intangible fixed assets other than goodwill

Music copyrights have not been impaired during the period on the basis that the directors consider that each individual copyright is worth no less than cost less amortisation at the statement of financial position date. The directors intend to monitor the future value of each individual copyright and any impairment value will be charged in the income statement of the period.

Amortisation is provided at the following rate:

Music copyrights	5% straight line commencing on the first anniversary of first royalty income being receivable
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1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

5AM MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

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

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable.

5AM MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2016 - 2).

3 Intangible fixed assets

Music copyrights £

Cost

At 1 July 2016 and 30 June 2017	1,582,019
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Amortisation and impairment

At 1 July 2016	384,859
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Amortisation charged for the year	76,417
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At 30 June 2017	461,276
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Carrying amount

At 30 June 2017	1,120,743
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At 30 June 2016	1,197,160
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4 Trade and other receivables

	2017	2016
	£	£
Amounts falling due within one year:		
Trade receivables	32,014	127,882
Amounts due from group undertakings	295,600	-
Other receivables	101,447	177,429
	<u>429,061</u>	<u>305,311</u>

5AM MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

5 Current liabilities

	2017 £	2016 £
Trade payables	-	5,836
Corporation tax	4	8
Other taxation and social security	14,771	24,245
Other payables	34,853	63,819
	<u>49,628</u>	<u>93,908</u>

6 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
2,000,000 A shares of 10p each	200,000	200,000
20 B shares of 10p each	2	2
	<u>200,002</u>	<u>200,002</u>

7 Financial commitments, guarantees and contingent liabilities

The company has provided security in respect of a long term advance received by its parent company by issuing a fixed and floating charge over the assets of the company. At the statement of financial position date the outstanding balance on the advance was £18,152,951 (2016 - £14,773,028).

8 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available in accordance with Section 33.1A of Financial Reporting Standard 102 whereby it has not disclosed 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.