

Adelphoi Limited

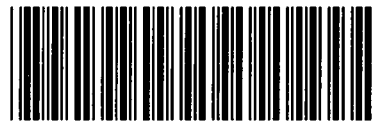
Unaudited Financial Statements

Year Ended

31 December 2018

Company Number 02841965

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Adelphoi Limited
Registered number:02841965

Balance Sheet
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	26,254	28,776
Investments	5	1,627	1,627
		<u>27,881</u>	<u>30,403</u>
Current assets			
Debtors: amounts falling due within one year	6	1,345,288	1,136,296
Cash at bank and in hand	7	-	7,102
		<u>1,345,288</u>	<u>1,143,398</u>
Creditors: amounts falling due within one year	8	(1,303,263)	(1,152,577)
Net current assets/(liabilities)		<u>42,025</u>	<u>(9,179)</u>
Total assets less current liabilities		<u>69,906</u>	<u>21,224</u>
Provisions for liabilities			
Deferred tax	9	(887)	(887)
		<u>(887)</u>	<u>(887)</u>
Net assets		<u>69,019</u>	<u>20,337</u>
Capital and reserves			
Called up share capital	10	175	175
Profit and loss account		68,844	20,162
		<u>69,019</u>	<u>20,337</u>

Adelphoi Limited
Registered number:02841965

Balance Sheet (continued)
As at 31 December 2018

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 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 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

K Zavleh
Director



The notes on pages 3 to 11 form part of these financial statements.

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

1. General information

Adelphoi Limited is a private company limited by shares incorporated in England and Wales. The registered office is 26 Litchfield Street, London, WC2H 9TZ.

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 company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover 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.

2.3 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, as shown below.

Depreciation is provided on the following basis:

Land and buildings Leasehold	-	25% per annum on reducing balance
Fixtures, fittings & equipment	-	25% per annum on 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 the Statement of Income and Retained Earnings.

2.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in statement of income and retained earnings.

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 assets belongs.

2.6 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.

2.7 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, other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and 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 Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.8 Equity instruments

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

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 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 Employee benefit

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The costs of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.11 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2.13 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

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.

2.16 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.

2.17 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 the Statement of Income and Retained Earnings 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.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2017 - 6).

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

4. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2018	172,315	298,158	470,473
Additions	4,694	1,536	6,230
At 31 December 2018	177,009	299,694	476,703
Depreciation			
At 1 January 2018	155,919	285,778	441,697
Charge for the year	5,273	3,479	8,752
At 31 December 2018	161,192	289,257	450,449
Net book value			
At 31 December 2018	15,817	10,437	26,254
At 31 December 2017	16,396	12,380	28,776

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	1,627
At 31 December 2018	1,627

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

5. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Soundmouse Limited	26 Litchfield Street, London, WC2H 9TZ	Ordinary	75.06%
Adelphoi Music Publishing Limited	26 Litchfield Street, London, WC2H 9TZ	Ordinary	87.5%
Adelphoi Music Limited	26 Litchfield Street, London, WC2H 9TZ	Ordinary	90%
Soundmouse USA Limited	26 Litchfield Street, London, WC2H 9TZ	Ordinary	75.06%
Soundmouse International Limited	26 Litchfield Street, London, WC2H 9TZ	Ordinary	75.06%
Airstate Limited	26 Litchfield Street, London, WC2H 9TZ	Ordinary	87.5%
Valentine Music Limited	26 Litchfield Street, London, WC2H 9TZ	Ordinary	87.5%
Tagat Limited	26 Litchfield Street, London, WC2H 9TZ	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/ (Loss) £
Soundmouse Limited	1,092,037	613,151
Adelphoi Music Publishing Limited	411,985	95,605
Adelphoi Music Limited	(655,743)	(289,927)
Soundmouse USA Limited	33,508	10,245
Soundmouse International Limited	100	-
Airstate Limited	(377,137)	(92,633)
Valentine Music Limited	32,023	27,559
Tagat Limited	1	-

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

6. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	1,285,480	1,088,886
Other debtors	37,280	37,508
Prepayments and accrued income	22,528	9,902
	<u>1,345,288</u>	<u>1,136,296</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	-	7,102
Less: bank overdrafts	(1,033)	-
	<u>(1,033)</u>	<u>-</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Debtenture loans	-	155,500
Bank overdrafts	1,033	-
Trade creditors	20,573	26,848
Amounts owed to group undertakings	1,254,370	952,019
Corporation tax	705	488
Other taxation and social security	9,998	8,556
Other creditors	850	284
Accruals and deferred income	15,734	8,882
	<u>1,303,263</u>	<u>1,152,577</u>

9. Deferred taxation

	2018 £
At beginning of year	(887)
At end of year	<u>(887)</u>

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(887)	(887)
	<u>(887)</u>	<u>(887)</u>

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
50 (2017 - 50) Ordinary A shares of £1.00 each	50	50
75 (2017 - 75) Ordinary B shares of £1.00 each	75	75
50 (2017 - 50) Deferred C shares of £1.00 each	50	50
	<u>175</u>	<u>175</u>

11. 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 £2,795 (2017 - £1,334). Contributions totalling £850 (2017 - £284) were payable to the fund at the balance sheet date and are included in creditors.

Adelphoi Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

12. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A for FRS 102 whereby it has not disclosed transactions with any wholly owned undertaking of the group.

During the year the company made loan advances of £163 (2017 - £3,962) to C Hodgkinson, a director. At 31 December 2018, C Hodgkinson owed the company £4,126 (2017 - £3,962). This is included within debtors due within one year.

During the year the company made loan advances of £234 (2017 - £1,073) to K Zavieh, a director. Interest accrues at a rate of 2.50% on this loan. A total of £433 (2017 - £429) was charged as interest. At 31 December 2018, K Zavieh owed the company £17,575 (2017 - £17,341). This is included within debtors due within one year.

At the year end, Adelphoi Limited owed £1,254,370 (2017 - £952,019) to subsidiary companies which is included within creditors due within one year.

At the year end, Adelphoi Limited was owed 1,285,480 (2017 - £1,088,886) by subsidiary companies which is included within debtors due within one year.

During the year, the company made sales to subsidiary companies totalling £1,378,622 (2017 - £1,319,986).