Registered number: 01364141

STRAITJACKET SONGS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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STRAITJACKET SONGS LIMITED
REGISTERED NUMBER: 01364141

BALANCE SHEET
AS AT 31 MARCH 2017

	Note		2017 £		*2016 £*
Fixed assets					
Tangible assets	3		**3,063,999**		*3,420,176*
Investments	4		**63**		*63*
			3,064,062		*3,420,239*
Current assets					
Debtors: amounts falling due within one year	5	**1,994,862**		*1,429,135*	
Cash at bank and in hand	6	**2,422,761**		*800,960*	
		4,417,623		*2,230,095*	
Creditors: amounts falling due within one year	7	**(1,096,834)**		*(1,086,078)*	
Net current assets			**3,320,789**		*1,144,017*
Total assets less current liabilities			**6,384,851**		*4,564,256*
Capital and reserves					
Called up share capital			**200**		*200*
Profit and loss account			**6,384,651**		*4,564,056*
			6,384,851		*4,564,256*

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 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 2 November 2017.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies

1.1 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:

1.2 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, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 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, using appropriate methods.

Depreciation is provided on the following basis:

Studio costs	- Over the life of the lease
Studio equipment	- 10% to 25% Straight line
Motor vehicles	- 25% Reducing balance
Fixtures, fittings & 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 the Statement of income and retained earnings.

1. Accounting policies (continued)

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.5 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.

1.6 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.

1.7 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

1.8 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.

1.9 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

1.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1. Accounting policies (continued)

1.11 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.12 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

1.13 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 balance sheet date in the countries where the Company operates and generates income.

2. Employees

The average monthly number of employees, including directors, during the year was 8 *(2016 - 8)*.

3. Tangible fixed assets

	Studio cost £	Studio equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2016	**7,635,634**	**2,223,259**	**10,330**	**860,805**	**10,730,028**
At 31 March 2017	**7,635,634**	**2,223,259**	**10,330**	**860,805**	**10,730,028**
Depreciation					
At 1 April 2016	**4,309,878**	**2,131,177**	**10,143**	**858,654**	**7,309,852**
Charge for the year on owned assets	**332,573**	**23,020**	**46**	**538**	**356,177**
At 31 March 2017	**4,642,451**	**2,154,197**	**10,189**	**859,192**	**7,666,029**
Net book value					
At 31 March 2017	**2,993,183**	**69,062**	**141**	**1,613**	**3,063,999**
At 31 March 2016	*3,325,756*	*92,082*	*187*	*2,151*	*3,420,176*

The net book value of land and buildings may be further analysed as follows:

	2017 £	*2016 £*
Freehold	**2,993,183**	*3,325,756*
Short leasehold	**69,062**	*92,082*
	3,062,245	*3,417,838*

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	**63**
At 31 March 2017	**63**
Net book value	
At 31 March 2017	**63**
At 31 March 2016	*63*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
BG Studios Limited	England and Wales	Ordinary	100 %
Will D.Side Limited	British Virgin Islands	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
BG Studios Limited	**(545,007)**	**(292,630)**
Will D.Side Limited	**1,450,671**	**169,887**
	905,664	**(122,743)**

The principal activity of BG Studios Limited is that of a recording studio. The principal activity of Will D. Side Limited is that of provision of artiste services.

5. Debtors

	2017 £	2016 £
Trade debtors	**1,262**	*482,409*
Amounts owed by group undertakings	**1,038,686**	*636,393*
Other debtors	**954,914**	*310,333*
	1,994,862	*1,429,135*

6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**2,422,761**	*800,960*

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	**485,186**	*350,388*
Corporation tax	**164,854**	*59,946*
Other taxation and social security	**74,646**	*116,132*
Other creditors	**233,866**	*322,983*
Accruals and deferred income	**138,282**	*236,629*
	1,096,834	*1,086,078*

8. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	**2,422,761**	*800,960*

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

9. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.