Company Registration No. SC461049 (Scotland)

MUSIC REPUBLIC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016



MUSIC REPUBLIC LIMITED

COMPANY INFORMATION

Directors	Mr S Cairns Mr T E Bingham
Company number	SC461049
Registered office	c/o MV Commercial Ltd Muir Road Houston Industrial Estate LIVINGSTON EH54 5DR
Auditor	Johnston Carmichael LLP 66 Tay Street PERTH PH2 8RA

MUSIC REPUBLIC LIMITED

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MUSIC REPUBLIC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and financial statements for the year ended 30 June 2016.

Principal activities
The principal activity of the company is that of the operation of a music website.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Cairns
Mr T E Bingham

Auditor
The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....
Mr S Cairns
Director
.....6/12/16.....

MUSIC REPUBLIC LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUSIC REPUBLIC LIMITED

We have audited the financial statements of Music Republic Limited for the year ended 30 June 2016 set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis of qualified opinion on financial statements

The audit evidence available to us was limited in relation to the sales process prior to sales invoices being raised. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning the completeness of sales.

Qualified opinion on the financial statements

In our opinion, except for the effect on the financial statements of the matter referred to in the Basis of Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MUSIC REPUBLIC LIMITED

Matters on which we are required to report by exception

Arising from the limitation of obtaining sufficient audit evidence referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Johnston Carmichael LLP

Steven Menzies (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

7 December 2016

Chartered Accountants
Statutory Auditor

66 Tay Street
PERTH
PH2 8RA

MUSIC REPUBLIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	2015 £
Turnover		169,090	136,777
Cost of sales		(88,758)	(105,426)
Gross profit		80,332	31,351
Administrative expenses		(196,009)	(113,570)
Other operating income		17,925	44,351
Loss before taxation		(97,752)	(37,868)
Taxation		-	-
Loss for the financial year		(97,752)	(37,868)

MUSIC REPUBLIC LIMITED

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Goodwill	4		90,908		102,827
Other intangible assets	4		4,167		7,167
			95,075		109,994
Current assets					
Debtors	5	42,753		16,685	
Cash at bank and in hand		194		2,745	
		42,947		19,430	
Creditors: amounts falling due within one year	6	(52,245)		(64,505)	
Net current liabilities			(9,298)		(45,075)
Total assets less current liabilities			85,777		64,919
Creditors: amounts falling due after more than one year	7		(433,133)		(314,523)
Net liabilities			(347,356)		(249,604)
Capital and reserves					
Called up share capital	8		50		50
Profit and loss reserves			(347,406)		(249,654)
Total equity			(347,356)		(249,604)

These financial statements have been prepared 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 6/12/16 and are signed on its behalf by:

.....

Mr S Cairns
Director

Company Registration No. SC461049

1 Accounting policies

Company information

Music Republic Limited is a private company limited by shares incorporated in Scotland. The registered office is c/o MV Commercial Ltd, Muir Road, Houston Industrial Estate, LIVINGSTON, EH54 5DR.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of Music Republic Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The financial statements have been prepared on the going concern basis as the directors consider it appropriate to do so. In coming to this conclusion, the directors confirm that they will support the company for at least twelve months following the date of approval of these accounts. In addition, MV Commercial Limited, the ultimate parent company, has confirmed that it will continue to support the company for at least twelve months following the date of approval of the accounts and will not seek repayment of its loan balance of £433,133 until all other creditors have been met.

1.3 Turnover

Turnover represents amounts receivable for the operation of a music website net of VAT and trade discounts. Revenue is recognised when the company completes advertising and publicity services on behalf of their clientele.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life which the directors consider to be 10 years.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

1 Accounting policies **(Continued)**

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	33% straight line

1.6 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

1.8 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 debtors 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.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 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.

1.10 Employee benefits

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.11 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 profit and loss account for the period.

2 Operating loss

	2016	2015
Operating loss for the year is stated after charging/(crediting):	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	3,250	2,000

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 7 (2015 - 7).

4 Intangible fixed assets

	Goodwill	Other	Total
	£	£	£
Cost			
At 1 July 2015	119,186	10,000	129,186
Additions	14,635	-	14,635
At 30 June 2016	133,821	10,000	143,821
Amortisation and impairment			
At 1 July 2015	16,359	2,833	19,192
Amortisation charged for the year	26,554	3,000	29,554
At 30 June 2016	42,913	5,833	48,746
Carrying amount			
At 30 June 2016	90,908	4,167	95,075
At 30 June 2015	102,827	7,167	109,994

5 Debtors

	2016	2015
Amounts falling due within one year:	£	£
Trade debtors	42,753	16,685

6 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	25,684	22,763
Other taxation and social security	8,996	10,211
Other creditors	17,565	31,531
	52,245	64,505

7 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Amounts due to group undertakings	433,133	314,523

8 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
50 Ordinary shares of £1 each	50	50

9 Related party transactions

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016	2015
	£	£
Entities with control, joint control or significant influence over the company	13,631	13,631
	13,631	13,631

The company operates a loan account with Push Life Limited, a company in which Mr T E Bingham is also a director. The balance owed is included in other creditors. The loan is interest free, unsecured and has no fixed terms of repayment.

No guarantees have been given or received.

10 Parent company

The parent company of Music Republic Limited is MV Commercial Limited.