MUSIC MAGPIE LIMITED

Non-statutory financial statements for the purpose of section 92(1)(b) and (c) of the Companies Act 2006

As at 1 April 2021

Company Number: 12977343

Company Information

Directors	S Oliver I Storey
Registered Office	One Stockport Exchange Railway Road Stockport England SK1 3SW
Auditors	RSM UK Audit LLP 9th Floor 3 Hardman Street Manchester M3 3HF

STATEMENT OF THE INDEPENDENT AUDITOR TO MUSIC MAGPIE LIMITED FOR THE PURPOSE OF SECTION 92(1)(b) and (c) OF THE COMPANIES ACT 2006

Opinion concerning proper preparation of balance sheet

We have examined the balance sheet and related notes of Music Magpie Limited as at 1 April 2021 which have been prepared under the accounting policies set out therein.

In our opinion the audited balance sheet at 1 April 2021 has been properly prepared in accordance with the requirements of the Companies Act 2006, which would have applied had the balance sheet been prepared for a financial year of the company.

Statement on net assets

In our opinion, at 1 April 2021 the amount of the company's net assets (within the meaning given to that expression by section 831(2) of the Companies Act 2006) was not less than the aggregate of its called-up share capital and undistributable reserves.

Respective responsibilities of directors and auditors

The company's directors are responsible for the preparation of the balance sheet and related notes.

It is our responsibility to:

(a)report on whether the balance sheet has been properly prepared in accordance with the requirements of the Companies Act 2006 that would have applied if it had been prepared for a financial year of the company with such modifications as are necessary by reason of that fact; and

(b)form an independent opinion, based on our examination, concerning the relationship between the company's net assets and its called-up share capital and undistributable reserves at the balance sheet date.

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.

RSM UK Audit LLP

RSM UK AUDIT LLP
Statutory auditor

3 Hardman Street
Manchester
M3 3HF

Date: 1/4/21

Balance sheet at 1 April 2021

	Note	£'000
Fixed Assets		
Investments	3	1,117
Current Assets		
Intercompany receivable	4	5,353
TOTAL ASSETS		6,470
Current Liabilities		
Other loans	5	(5,254)
Shares classified as debt	6	(1,100)
NET ASSETS		116
Capital and Reserves		
Share capital	6	17
Profit and loss account		99
SHAREHOLDERS FUNDS		116

Approved by the Board on 1 April 2021

Steve Oliver
Director

DIRECTORS' RESPONSIBILITIES FOR THE BALANCE SHEET

The Directors are responsible for preparing the Balance Sheet and related notes 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 Company financial statements in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the balance sheet unless they are satisfied that they give a true and fair view of the state of affairs of the Company at that date. In preparing the balance sheet, 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 balance sheet on a 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 to 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.

Notes to the Balance Sheet

1. General Information

Music Magpie Limited (the "Company") was incorporated in England and Wales on 27 October 2020 as a private limited company. Its registered office is located at Stockport Exchange, Railway Road, Stockport, England, SK1 3SW. The primary activity of the Company is that of a holding company.

2. Accounting Policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act 2006 which would have been applied had the balance sheet been prepared for a financial year of the company.

The financial information has been presented in Pound sterling (GBP), being the functional and presentation currency of the Company. Amounts are rounded to the nearest £'000.

The following principal accounting policies have been applied:

Investments

Investments in subsidiaries 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 profit or loss.

Basic financial assets

Basic financial assets, which include amounts due from group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Debtors and creditors

Short term debtors and creditors are measured at 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

Going concern

The Company has not recorded any revenues as it is a holding company. Management prepares detailed working capital forecasts which are reviewed by the Board on a regular basis. Cash flow forecasts and projections take into account sensitivities on receipts, and costs.

It is not intended that operational cash flows of the group's trading subsidiaries will be required to settle the unsecured loan notes of £5,253,000 issued to certain shareholders. These liabilities are expected to be met from a future refinancing activity.

Having made relevant and appropriate enquiries, including consideration of the Company's current resources and required payments, the Directors have a reasonable expectation that the Company will have adequate resources to continue to meet the requirements of the business for at least the next twelve months. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

Critical judgements in applying accounting policies

The following critical judgements have been made by the directors.

The Company reviews the carrying value of investments and intercompany debtors for indications of impairment at each reporting date. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

3. Investments

	£'000
Opening balance	-
Additions	1,117
Carried forward balance at 1 April 2021	**1,117**

The undertakings in which the Company has an interest at the 1 April 2021 are as follows:

Entity	Registered office	Principal	Class and percentage of shares held
Entertainment Magpie Group Limited	1st Floor, One Stockport Exchange, Railway Road, Stockport SK1 3SW	Intermediate holding company	Ordinary shares 100%
Entertainment Magpie Holdings Limited*	1st Floor, One Stockport Exchange, Railway Road, Stockport SK1 3SW	Intermediate holding company	Ordinary shares 100%
Entertainment Magpie Limited*	1st Floor, One Stockport xchange, Railway Road, tockport SK1 3SW	Purchase & resale of electronic items and replay media products	Ordinary shares 100%
MM Guernsey Limited*	1st Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB	Refurbishment & despatch of replay media products	Ordinary shares 100%
Mozo Media Limited*	Black and White House, Hulley Road, Macclesfield, Cheshire, SK10 2AF	Refurbishment & despatch of replay media products	Ordinary shares 100%
Entertainment Magpie, Inc*.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Refurbishment & despatch of replay media products	Ordinary shares 100%
That's Entertainment Retail Limited*	1st Floor, One Stockport Exchange, Railway Road, Stockport SK1 3SW		Ordinary shares 100%
Bradley Street Limited	1st Floor, One Stockport Exchange, Railway Road, Stockport SK1 3SW		Ordinary shares 100%
Zoverstocks Limited*	1st Floor, One Stockport Exchange, Railway Road, Stockport SK1 3SW		Ordinary shares 100%

*Held indirectly via Entertainment Magpie Group Limited

4. Intercompany Receivables

As at April 2021, the Company was due £5,353,000 from Entertainment Magpie Group Limited.

5. Other Loans

As at April 2021, the Company has unsecured loan notes of £5,253,000 issued to certain shareholders. Interest accrues on the loan notes at a rate of 10.0%.

6. Share Capital

	£'000
Share classified in Shareholders Funds	
Allotted called up and fully paid	
375,000 A Ordinary Shares of £0.01	4
175,000 B Ordinary Shares of £0.01	2
100 C1 Ordinary Shares of £0.01	-
341,500 C2 Ordinary Shares of £0.01	3
45,400 D1 Ordinary Shares of £0.01	-
16,600 D1(A) Ordinary Shares of £0.05	1
35,000 D2 Ordinary Shares of £0.05	2
1,500 E Ordinary Shares of £2.00	3
20,000 F Ordinary Shares of £0.05	1
56,117 G Ordinary Shares of £0.01	1
56,118 H Ordinary Shares of £0.01	1
	17

Shares classified in Liabilities	
Preference shares classified as debt	1,100

Voting rights: all ordinary shares have the same voting rights except the voting rights of the A ordinary shares are set to a maximum of 49.9% and in the period of material default (as defined in the Articles) each A ordinary share is entitled to 100,000 votes.

Dividends: all ordinary shares rank equally for dividend.

Proceeds on sale or listing: A and A1 ordinary shareholders are entitled to 66.25% of the first £5m of proceeds with B ordinary shareholders entitled to 33.75%. A and A1 ordinary shareholders (aggregated as one class) are entitled to 36.25% of the proceeds from £5m to £7.75m with B ordinary shareholders entitled to 63.75%. Above £7.75m B ordinary and C ordinary shareholders are entitled to receive 63.75% with the A and A1 ordinary shareholders receiving 36.25% up to the institutional investors required cash return. Above this A and A1 ordinary shareholders receive 26.25% with the B and C ordinary shareholders receiving 73.75%.

7. Nature of Financial Information

The financial information presented above does not constitute statutory accounts for the period ended 1 April 2021