Music Royalties Business Plan

Thames Master Rights London

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01 / OPERATING PLAN

Executive summary

Thames Master Rights is a proposed London company that would acquire one documented catalogue of 100 master recordings and administer its UK receipts. The decision is whether verified royalty evidence, clean title and committed equity justify the purchase. No catalogue, founder credentials, assignment, distributor agreement or financing is secured.

This plan uses a five year conditional acquisition case beginning January 2027, with paid preparation in October to December 2026. Master streaming and download receipts and separately cleared master synchronisation licences provide income. Composition, songwriter, performer collecting society, physical sales and new recording income are excluded. Base liquidity and downside funding must be assessed before signing.

The verified conditional Base forecast generates £660,000 revenue in 2027 and £596,122 in 2031. Final year net profit is (£54,405). Minimum cash is £676,940; its reserve funding gap is £0. Downside minimum cash is (£35,160), requiring £785,160 to maintain its £750,000 reserve. No acquisition or financing is established.

GBP calendar years	2027	2028	2029	2030	2031
Master revenue	£600,000	£582,000	£564,540	£547,604	£531,176
Master sync revenue	£60,000	£61,200	£62,424	£63,672	£64,946
Total revenue	**£660,000**	**£643,200**	**£626,964**	**£611,276**	**£596,122**
Distributor expense	**£72,000**	**£69,840**	**£67,745**	**£65,712**	**£63,741**
Artist royalty expense	**£144,000**	**£140,400**	**£136,922**	**£133,564**	**£130,321**
Contribution	**£444,000**	**£432,960**	**£422,297**	**£412,000**	**£402,060**
Loaded payroll	**£181,830**	**£187,352**	**£193,040**	**£198,899**	**£204,934**
Gross overhead	£60,000	£61,800	£63,654	£65,564	£67,531
EBITDA	**£202,170**	**£183,808**	**£165,602**	**£147,537**	**£129,595**
Total asset charges	**£184,000**	**£184,000**	**£184,000**	**£184,000**	**£184,000**
Pretax profit	**£18,170**	**(£192)**	**(£18,398)**	**(£36,463)**	**(£54,405)**
Tax reserve	£4,543	£0	£0	£0	£0
Net profit	**£13,628**	**(£192)**	**(£18,398)**	**(£36,463)**	**(£54,405)**
Closing cash	**£825,161**	**£1,011,890**	**£1,180,682**	**£1,331,302**	**£1,463,875**

02 / OPERATING PLAN

Business details

The working company name and London location are assumptions subject to name, premises and legal checks. A private limited company would hold the master rights on its own balance sheet. It would not operate a pooled investment fund, sell public investment products or advise clients on investments.

The model is GBP, version royalties v1, prepared 3 October 2026. Forecast years are 2027 to 2031. Figures are hypothetical domestic UK transactions before evidence gates. UK VAT treatment and actual income tax treatment need professional confirmation.

03 / OPERATING PLAN

Business concept and objectives

Acquire a small mature catalogue only after reconciling at least 36 months of track level royalty statements to bank receipts and contracts. Screen concentration by track, service, territory, artist and vintage. Reject artificial listening, unresolved samples, disputes, recoupment or nontransferable arrangements.

The initial objective is accurate collections and timely artist statements. A second objective is selective master sync licensing within documented permissions. No promise of yield, appreciation or passive income is made. A catalogue with durable gross receipts can still produce losses after artist obligations, tax, paid administration and acquisition cost.

04 / OPERATING PLAN

Business model canvas

The company buys a specific master asset rather than artists or compositions. Acquisition equity funds rights, preparation and operating liquidity. Distributor and artist expenses remain explicit and are not hidden inside a single net royalty figure.

A retained rights register, receipts ledger and licence approval process support administration. Distribution and external legal work require reviewed contracts. Income from publishing performance and mechanical rights is excluded rather than inferred from master royalties.



Figure Business model canvas. Proposed choices and evidence gaps. No observed demand or competitor ratings.

05 / OPERATING PLAN

SWOT and longer term goals

A narrow master only scope reduces ambiguous revenue categories. Existing catalogue administration avoids a studio and new release budget. Its weaknesses are an unverified acquisition, single portfolio concentration and dependence on platform reporting.

Rights defects, manipulated activity, policy changes and collection holds threaten income. Before any expansion, demonstrate two reconciled reporting cycles, enough paid capacity and funded downside liquidity. Consider a second catalogue only through a new investment review and separately updated model.

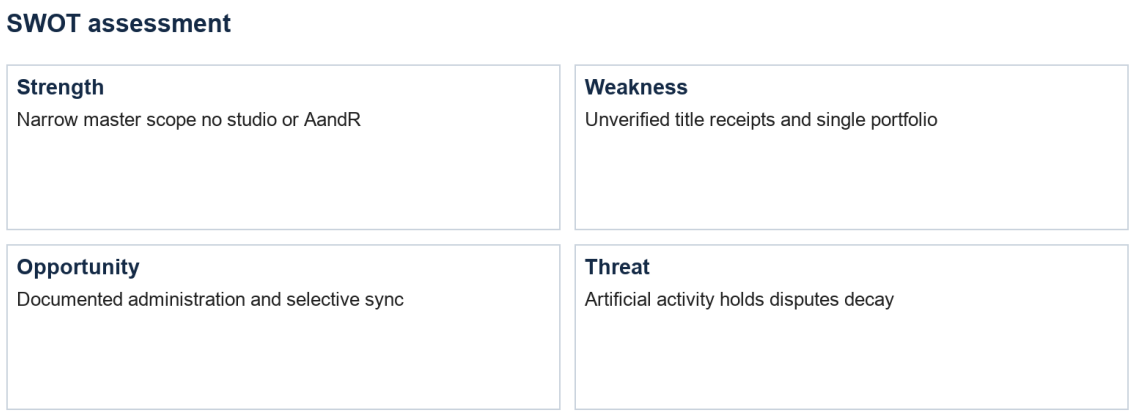


Figure SWOT and longer term goals. Proposed choices and evidence gaps. No observed demand or competitor ratings.

06 / OPERATING PLAN

TOWS strategy matrix

Use the limited scope to conduct a deeper title and receipts review. Use track concentration analysis to avoid a portfolio dependent on one viral recording. Test sync interest without publishing invented placement commitments.

Respond to weak evidence by withholding an offer or reducing the purchase price. Respond to payment holds by extending cash reserves and suspending discretionary spending. Retain artist obligations and external professional support during stress rather than assuming unpaid work.

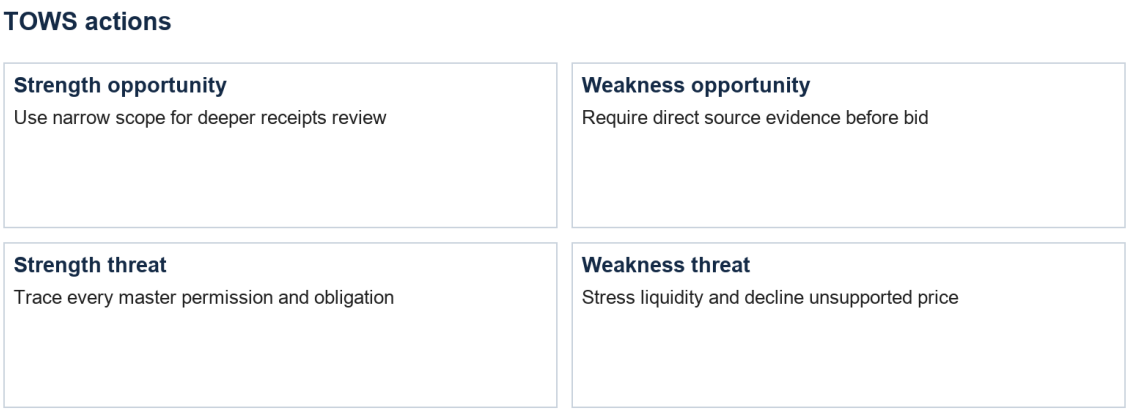


Figure TOWS strategy matrix. Proposed choices and evidence gaps. No observed demand or competitor ratings.

07 / OPERATING PLAN

Owner and management

The paid owner manager is accountable for acquisition approval, cash controls and counterparties. The paid royalty analyst reconciles statements and artist obligations. The paid rights coordinator maintains permissions, metadata and sync administration. Neither proposed person has established credentials.

An external copyright solicitor, accountant, tax adviser and distributor support the team under contracts to be obtained. Solid lines show employee reporting to the owner. Dashed support lines indicate external relationships, not employees or guaranteed availability.

Reporting and external support

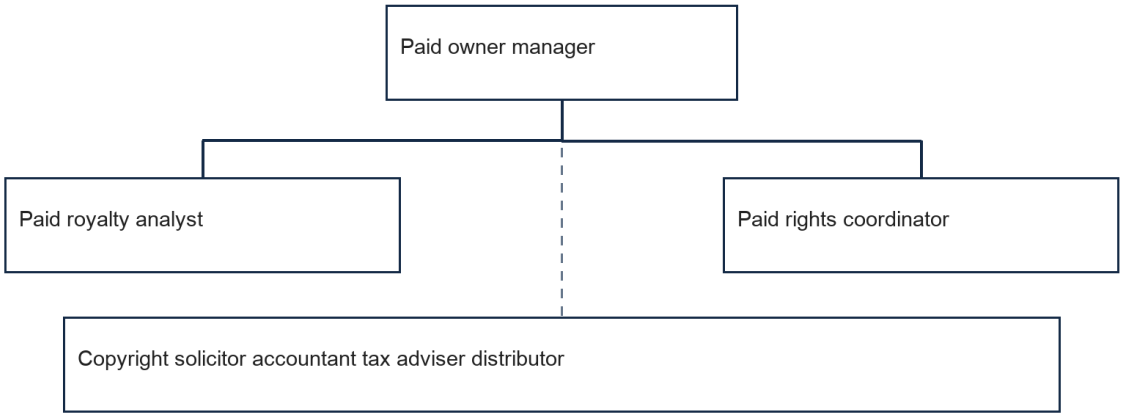


Figure Owner and management. Proposed choices and evidence gaps. No observed demand or competitor ratings.

08 / OPERATING PLAN

Owner and key personnel profiles

Recruit an owner manager able to interpret catalogue cash flows and contract restrictions, an analyst able to reconcile distributor exports and artist accounts, and a coordinator able to manage recording identifiers and permissions. References and competency checks are prerequisites.

The owner salary is paid during preparation and throughout operations. The company has no unpaid founder labour assumption. Signoff authority, payment approval limits, documented deputy cover and conflict declarations must be agreed before acquisition.

09 / OPERATING PLAN

Target customers

UK distributors and licensees form the direct contract and settlement counterparties. Professional UK production buyers may request limited master sync rights. Artists with retained royalties are contractual creditors, not a source of free working capital.

Acquisition sellers must provide complete chain of title and reporting access. Listeners are downstream users whose demand the company cannot directly control. Targeting a narrow repertoire requires actual catalogue evidence, not a demographic claim invented for this plan.

10 / OPERATING PLAN

Segmentation targeting and positioning

Segment sellers by title clarity, receipt stability and concentration. Segment sync buyers by intended use, territory, duration, exclusivity and clearance requirements. Target only rights the company can legally deliver.

Position the operation around clear permissions, prompt responses and accurate accounting. Price and revenue forecasts do not establish actual buyer demand. The company would avoid misleading claims that a master licence automatically clears a composition.



Figure Segmentation targeting and positioning. Proposed choices and evidence gaps. No observed demand or competitor ratings.

11 / OPERATING PLAN

Value proposition canvas

A seller may want a transparent acquisition process and reliable settlement. A producer may want a clear response about available master rights. Artists may want understandable statements and payment. These proposed needs require interviews rather than assumed validation.

The intended service is a documented master inventory, quoted rights scope and traceable royalty statements. The company cannot remove composition clearance, creator moral rights or performer obligations merely by purchasing a master.

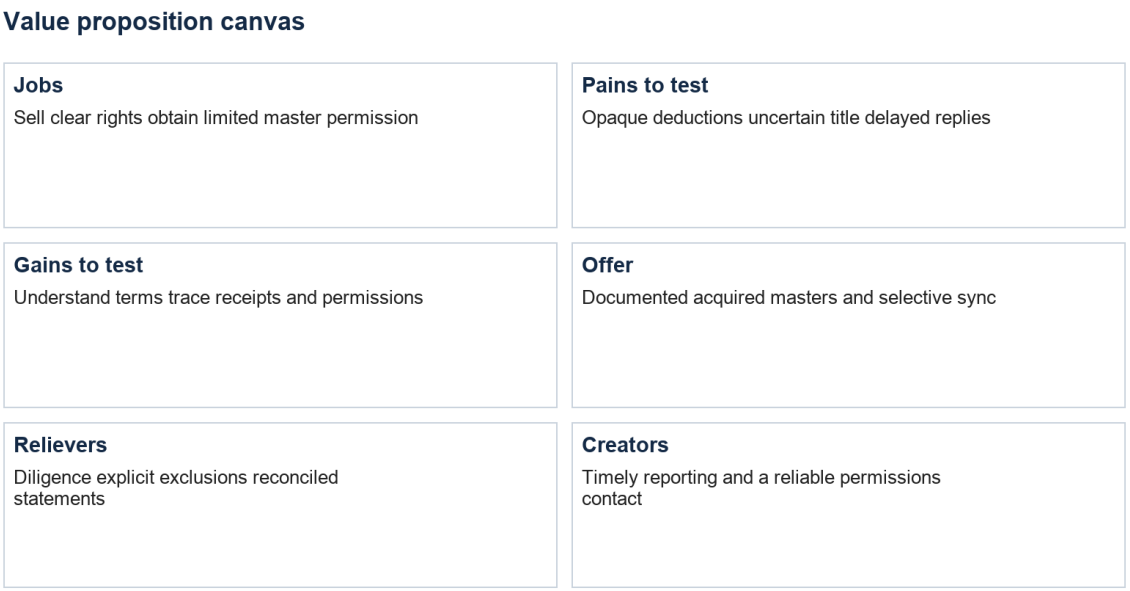


Figure Value proposition canvas. Proposed choices and evidence gaps. No observed demand or competitor ratings.

12 / OPERATING PLAN

Market size and trends

TAM is all legally transferable UK master catalogue income relevant to the chosen repertoire. SAM is the subset accessible through affordable, clean title acquisitions and lawful distribution. Neither value has been validated.

SOM is the assumed first catalogue of 100 recordings and its conditional receipt forecast. It is not measured market share. Spotify explains that royalties depend on stream share and agreements, so the model deliberately uses statement based gross revenue assumptions rather than a fixed platform payout per stream.

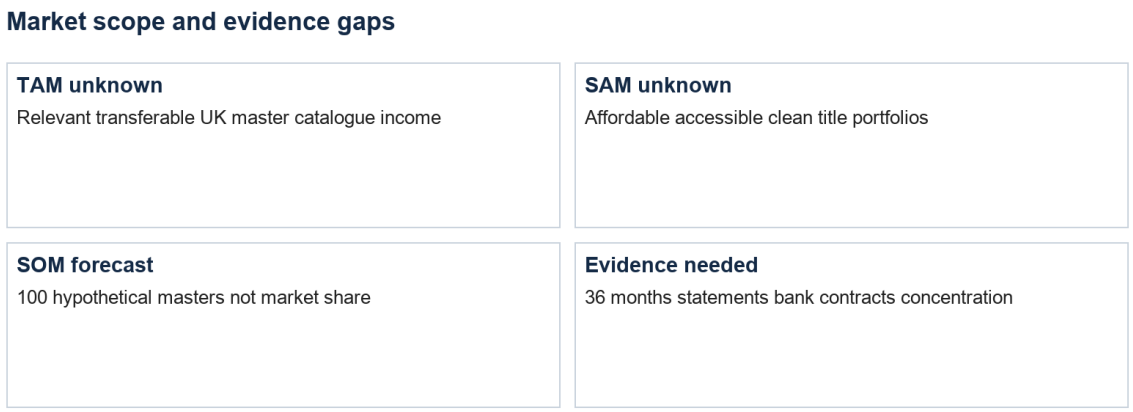


Figure Market size and trends. Proposed choices and evidence gaps. No observed demand or competitor ratings.

13 / OPERATING PLAN

PESTLE analysis

Political and legal conditions affect copyright, employment and tax. Economic conditions affect royalty stability and purchase pricing. Social demand can change by repertoire. Technology affects identifiers, reporting, security and fraudulent activity detection.

Environmental priorities are a modest serviced office, durable devices and electronic statements. None is quantified as a saving. Refresh regulatory and tax context before closing and annually; future effective payroll changes must be checked against the forecast period.

PESTLE responses

Political Refresh copyright payroll and tax context	**Economic** Royalty decay purchase price collection delays
Social Changing repertoire tastes and artist trust	**Technology** Metadata reporting security artificial activity
Legal Title samples artists VAT assignments consent	**Environment** Durable devices electronic records modest office

Figure PESTLE analysis. Proposed choices and evidence gaps. No observed demand or competitor ratings.

14 / OPERATING PLAN

Local demand and evidence

London is a proposed professional services base, not evidence of demand. No customer interviews, catalogue offers, site footfall or signed sync deals have been observed. Obtain quotes and a rights specific buyer test before making a commitment.

Official IPO guidance supports the distinction between recordings and underlying works and the need for signed assignments. HMRC and employer sources establish context. Revenue, fees, wages, purchase price and collection lags are planning assumptions awaiting primary contractual evidence.

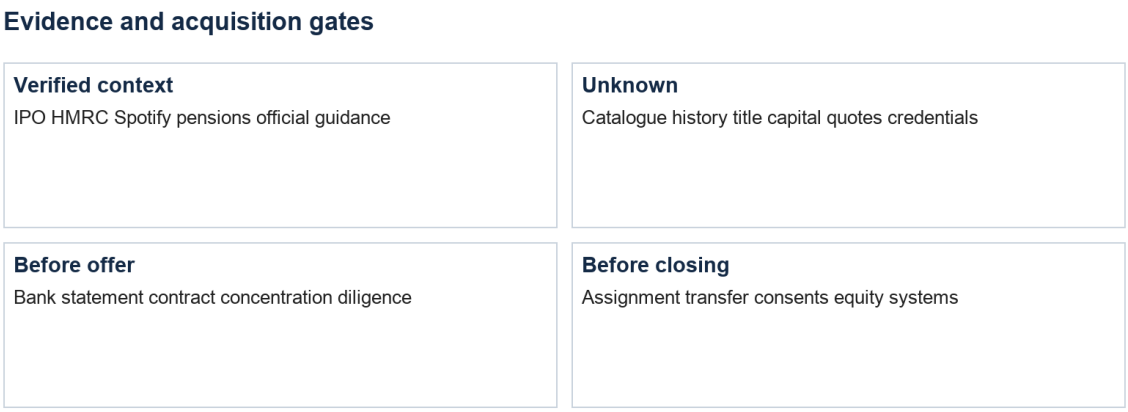


Figure Local demand and evidence. Proposed choices and evidence gaps. No observed demand or competitor ratings.

15 / OPERATING PLAN

Competitors and positioning

Compare a direct acquisition, continued self administration, a distributor service and an established catalogue buyer using the same rights scope, duration, reporting access and retained artist liabilities. No named provider is assigned an invented rating or price.

A lower gross purchase multiple may be misleading if receipts are declining or contract deductions increase. The competitive test is net cash after obligations and paid administration, not nominal track count or publicity.

16 / OPERATING PLAN

Porter five forces

Rivalry concerns buyers bidding for documented cash flows. Sellers and distributors can hold strong negotiating power. Buyer power in sync depends on alternatives and clearance friction. Entry requires capital and demonstrable administration rather than ownership of a studio.

Substitutes include leaving a catalogue with its current owner, licensing rather than acquiring it, or using another cleared recording. Responses are a disciplined bid ceiling, transparent terms, specialist due diligence and a willingness to decline.

Porter five forces

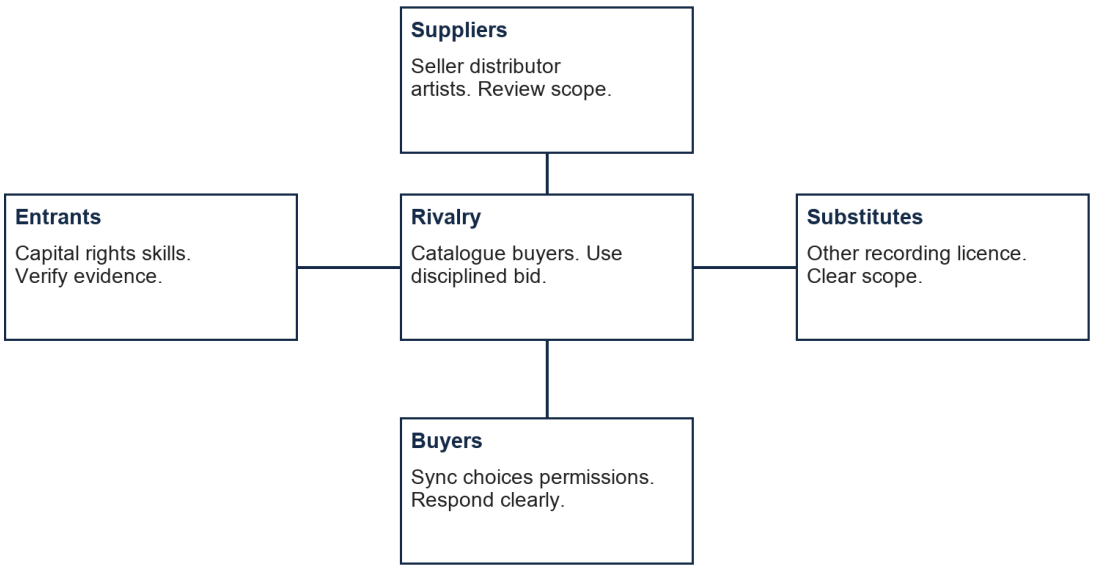


Figure Porter five forces. Proposed choices and evidence gaps. No observed demand or competitor ratings.

17 / OPERATING PLAN

Strategy canvas

The chart shows internal proposed priorities, not competitor performance scores. Highest priorities are title evidence and receipts reconciliation. Response speed and artist reporting matter, while catalogue breadth and speculative new release growth are deliberately limited.

Actual competitor comparison requires comparable offers. Retain negotiation records and scope definitions so a prospective seller can distinguish a price difference from differences in rights purchased.

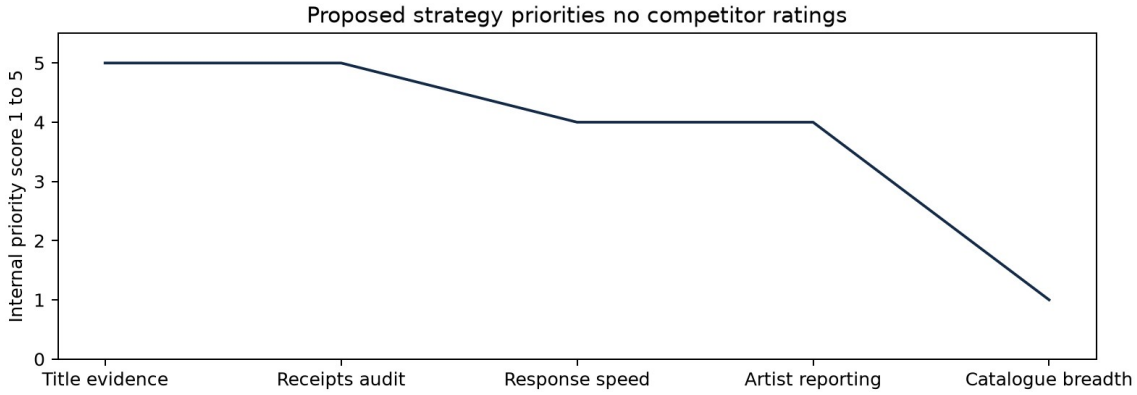


Figure Strategy canvas. Proposed choices and evidence gaps. No observed demand or competitor ratings.

18 / OPERATING PLAN

Location and premises

Use a small London serviced office rather than a studio or retail shop. No lease is signed. Base overhead includes premises, software, insurance, professional support and outreach, all gross with supplier VAT conservatively unrecovered.

Review secure access, confidentiality, backups and contract storage before occupancy. Obtain a deposit quote and equipment quote. Remote work requires the same rights register access controls and separation of payment duties.

19 / OPERATING PLAN

Equipment and resource plan

The gross equipment budget is £20,000 for secure computers, encrypted storage and office setup. The model depreciates it over 60 months and assumes no replacement investment during the five year horizon. A replacement or terminal operating plan requires new cost estimates.

The acquired master catalogue is a separate intangible asset. Base price is £3,000,000 before assumed 20 percent supplier VAT, producing £3,600,000 carrying cost with VAT unrecovered. A 240 month amortisation life is an assumption, not a verified accounting or tax conclusion.

Gross equipment budget	GBP	Life months
Computers secure storage	£12,000	60
Office setup	£8,000	60
Equipment total	**£20,000**	**60**

20 / OPERATING PLAN

Master rights product strategy

The adapted product scope is existing master streaming and download rights and individually approved master sync licences. No physical production, touring, studio service, performer society royalties, publishing share or new releases are included.

The model assumes 100 recordings with a £600,000 initial annual gross master royalty run rate and six expected sync placements per year. These are conditional expectations, not existing contracts. Distribution and title must be confirmed before receipts can be relied on.

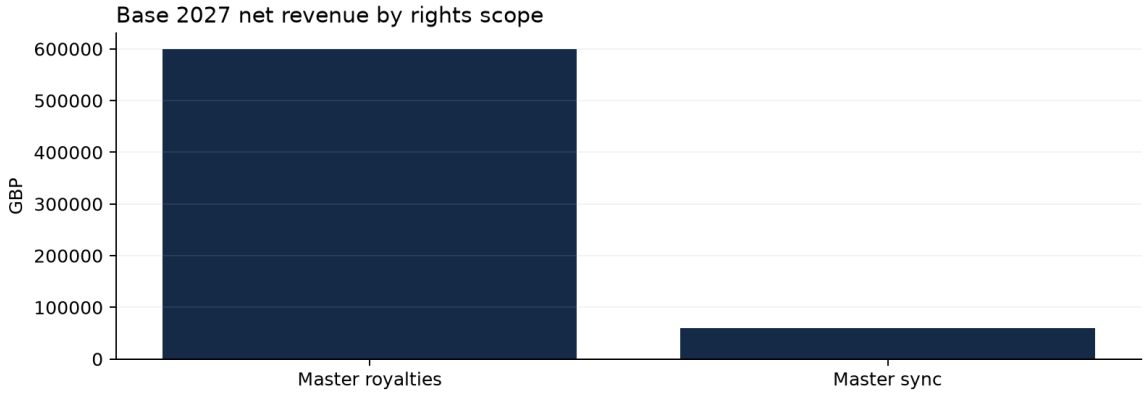


Figure Master rights product strategy. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

21 / OPERATING PLAN

Pricing and royalty economics

There is no fixed Spotify rate per play in this plan. The initial gross master royalty run rate is a statement based underwriting assumption that must be replaced by audited receipts. Base distributor fee is 10 percent of gross master royalties and artist participation is 20 percent after that fee.

A Base expected master sync placement is £10,000 before VAT and excludes composition clearance. Artist participation is 20 percent of the master fee, with no distributor fee assumed on sync. All fees are unquoted, and contractual definitions must match this calculation.

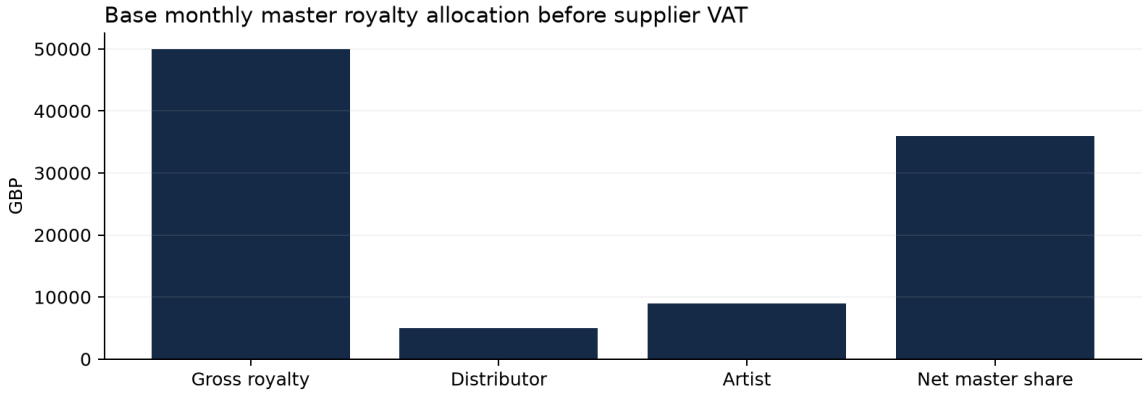


Figure Pricing and royalty economics. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

22 / OPERATING PLAN

Competitor price comparison

Obtain at least three comparable acquisition or administration proposals. Normalise price for transferred term, territory, retained artist royalties, distributor deductions, audit rights and receivables cut off. There are no supplier or competitor quotes in this plan.

Base purchase price is five times assumed gross annual master royalties, or approximately 6.94 times net master receipts before supplier VAT and company administration. This is a scenario ratio, not a market benchmark or valuation opinion.

23 / OPERATING PLAN

Brand and customer experience

The proposed identity is a plain professional rights administration company. Customer experience means accurate rights scope, clear exclusions, documented permission and a reliable contact, rather than a consumer music brand.

Statements show gross income, distributor fee, artist base, artist amount, collection timing and payment timing. Investigate complaints promptly and preserve underlying records. No guaranteed revenue, guaranteed clearance or investment performance claim is appropriate.

24 / OPERATING PLAN

Sales channels and process

Acquire through a reviewed seller process. Reconcile receipts, confirm chain of title, review consent and assignability, agree cut off and liabilities, obtain committed funds, then sign and transfer only when conditions are met.

Sync enquiries move through intended use, master permission, separate composition permission, price, contract, delivery and invoice. Fractional monthly deals in the model express annual expectations; they are not fractional legal licences or a promised booking calendar.

25 / OPERATING PLAN

Launch marketing

Base gross preparation spending includes £50,000 legal and diligence, £15,000 accounting and tax setup, £10,000 office and systems setup and £5,000 buyer research and outreach. These are expense budgets, not signed quotes.

Operate discreet professional outreach with permission. Do not manufacture listeners, guarantee placements or pay for artificial activity. Marketing is intended to test lawful sync interest and identify reliable counterparties.

26 / OPERATING PLAN

Retention and ongoing sales

Retain counterparties through accurate metadata, clear permissions and timely dispute resolution. Artist statements and distributor reconciliations should meet contract deadlines. No repeat purchase percentage or client retention rate has been observed.

Review placement requests and rejection reasons. A failed composition clearance should produce no sale. The forecast does not assume fees from unapproved uses, uncollectible claims or cross selling publishing rights.

27 / OPERATING PLAN

Daily operations and suppliers

Reconcile usage and statement files, verify the gross amount and deductions, match cash, update receivables and artist payables, and investigate differences. Separate master and composition identifiers and log all disputed or withheld amounts.

Base gross royalty collection lag is three months and artist payment lag is three months after earning. The model conservatively assumes distributor fees paid immediately, rather than providing unknown supplier credit. No preacquisition receivable is purchased or included.

28 / OPERATING PLAN

Sustainability practices

Use durable equipment, secure electronic agreements and remote meetings where practical. Keep backups and disposal controls for devices containing creator and counterparty information. No carbon neutrality or emissions reduction claim is made.

Ethical acquisition includes informed seller terms, transparent retained royalties and documented creator restrictions. Publicity cannot replace permission, and automated tools cannot decide whether a disputed sample is cleared.

29 / OPERATING PLAN

Staffing and training

The owner is paid £6,000 monthly for 40 hours weekly, analyst £4,000 for 37.5 hours and coordinator £3,000 for 30 hours. Base productive availability is 85 percent after leave and other absence. Annual salary and overhead escalation is 3 percent.

The capacity model assigns monthly work per recording and additional hours per sync licence separately for each role. Sync placements are capped by the tightest available role capacity after catalogue administration. Uncovered core administration is reported as a staffing gap; royalty entitlement is not magically removed by a staffing shortage.

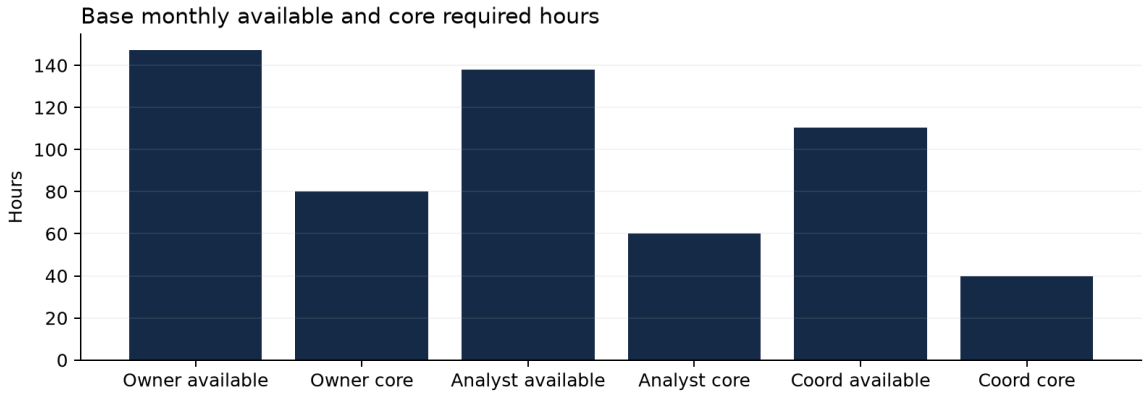


Figure Staffing and training. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

Base opening monthly payroll	GBP
Owner gross	£6,000
Analyst gross	£4,000
Coordinator gross	£3,000
Gross payroll subtotal	**£13,000**
Employer NI	£1,763
Employer pension	£390
Total payroll	**£15,153**

30 / OPERATING PLAN

Staff skills and fair work

Train staff on rights scope, royalty statements, data protection, anti fraud controls and payment approvals. Base paid preparation is owner three months, analyst two months and coordinator one month. Employer National Insurance and employer pension cost are included for each role.

Employer NI is modelled at 15 percent above a £5,000 annual per person threshold, with no Employment Allowance benefit. Pension expense is a conservative 3 percent of full gross pay, not a claim about the statutory qualifying earnings calculation. Check future changes before payroll begins.

Paid monthly role	Gross GBP	Employer NI	Pension GBP	Loaded GBP
Owner loaded	£6,000	£838	£180	£7,018
Analyst loaded	£4,000	£538	£120	£4,658
Coordinator loaded	£3,000	£388	£90	£3,478

31 / OPERATING PLAN

Legal and insurance requirements

Copyright ownership and permissions require specialist due diligence. A signed transfer document is required; it does not remove moral rights, performer rights, composer rights, territorial limits or existing licences. Confirm authority, consents, samples, recoupment, reversion and disputes before closing.

Obtain professional indemnity, cyber and employer coverage appropriate to actual staff and activity. Complete company, PAYE, pensions and data protection requirements. This own account operating company has no public fund offering; an investment product or client money structure would require a separate regulatory review.

32 / OPERATING PLAN

Opening roadmap

October 2026 is a conditional planning start for paid owner diligence. Add the analyst in November and coordinator in December only within funded preparation. Base acquisition is assumed before the January 2027 operating origin. Dates are not commitments.

Before signing require verified title, reconciled historical receipts, transferable distribution, artist liability schedule, VAT and tax advice, professional support, usable data systems and committed equity. Downside extends paid preparation and delays earnings three operating months without stopping salaries or overhead.

33 / OPERATING PLAN

Risks and management actions

A title defect, artificial activity, unexpected artist liability or distribution hold can invalidate the investment case. Obtain legal review, direct source statement access and bank reconciliation before acquisition. Use concentration limits chosen from actual evidence.

If downside reserve coverage fails, stop before signing and reprice, reduce scope or secure additional committed equity. If postclosing receipts deteriorate, reduce discretionary spending, retain paid compliance and honour artist obligations. The terminal sensitivity must never be used to fund operating bills.

34 / OPERATING PLAN

Research and evidence

Research was checked on 3 October 2026 using official IPO, HMRC, Spotify and pensions sources. These support rights distinctions, payroll and tax context. They do not validate a particular catalogue, revenue history, wage quote or acquisition valuation.

The official source register records uses and limits. PRS collection timing is not used as a factual lag for this master only company. Actual distributor and artist terms must replace scenario lags, rates and UK domestic VAT assumptions.

R1 IPO ownership: https://www.gov.uk/guidance/ownership-of-copyright-works

R2 IPO transfer and licence: https://www.gov.uk/copyright/license-and-sell-your-copyright

R3 IPO use permissions: https://www.gov.uk/using-somebody-elses-intellectual-property/copyright

R4 Spotify royalties guide: https://artists.spotify.com/en/royalties-guide

R5 HMRC royalties VAT timing: https://www.gov.uk/hmrc-internal-manuals/vat-time-of-supply/vattos9500

R6 HMRC VAT rates: https://www.gov.uk/vat-rates

R7 HMRC employer NI allowances: https://www.gov.uk/government/publications/rates-and-allowances-national-insurance-contributions

R8 HMRC corporation tax: https://www.gov.uk/government/publications/rates-and-allowances-corporation-tax

R9 Pensions regulator costs: https://www.thepensionsregulator.gov.uk/en/employers/work-out-your-automatic-enrolment-costs

R10 IPO copyright duration: https://www.gov.uk/government/publications/copyright-notice-duration-of-copyright-term/copyright-notice-duration-of-copyright-term

R11 HMRC service place of supply: https://www.gov.uk/guidance/vat-place-of-supply-of-services-notice-741a

R12 Companies House setup: https://www.gov.uk/set-up-limited-company

R13 HMRC master versions tax: https://www.gov.uk/hmrc-internal-manuals/business-income-manual/bim56205

35 / OPERATING PLAN

Quotes and assumptions

No property, catalogue, distributor, artist, insurance or professional service quote is secured. Every commercial input is an underwriting assumption until supported by a signed or independently verified source. Name, location and recruitment are provisional.

Inspect the music royalties reference workbook and its design for royalty deductions, intangible amortisation and statement linkage. The new model is rebuilt for UK master only operations and monthly collection cohorts; no reference workbook is imported and its unverified streaming payout benchmarks are not adopted.

36 / FINANCE

Startup costs and funding

The company requires equity before preparation and acquisition. Base proposed equity is £4,500,000 and is uncommitted. The acquisition and its assumed unrecovered VAT are paid before operations and remain an intangible asset. No debt, grant or rescue facility is assumed.

Other startup uses include loaded preparation salaries, gross preparation expense, equipment and refundable office deposit. Operating cash is the remaining equity after all uses. If cash becomes negative, the model exposes a funding gap rather than inventing an overdraft.

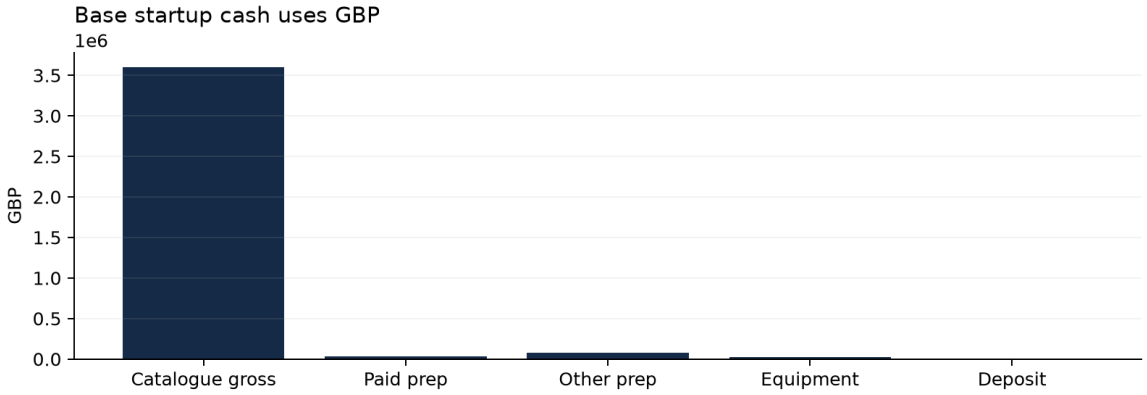


Figure Startup costs and funding. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

37 / FINANCE

Itemized startup costs

Paid setup is expensed into opening retained earnings; equipment, deposit and acquired rights are assets. Acquisition price and supplier VAT are separately shown. No initial royalty receivable or artist payable is carried in from the seller.

An actual agreement must define receipts and liabilities before and after closing. If the purchaser inherits preclosing receivables or artist obligations, incorporate them explicitly before acceptance; the current zero opening balances are a scenario boundary.

Startup cash use	**GBP**
Catalogue price net	£3,000,000
Unrecovered catalogue VAT	£600,000
Catalogue gross asset	**£3,600,000**
Total preparation payroll	**£33,845**
Other gross preparation	£80,000
Equipment capital	£20,000
Refundable deposit	£10,000
Total startup cash uses	**£3,743,845**
Proposed equity	**£4,500,000**
Opening cash	**£756,155**
Opening retained loss	**(£113,845)**
Paid preparation payroll	**GBP**
Owner three months	£21,053
Analyst two months	£9,315
Coordinator one month	£3,478
Total preparation payroll	**£33,845**

38 / FINANCE

Owner personal survival budget

The owner gross salary is £6,000 per month. An illustrative 65 percent retained pay assumption gives £3,900 against a £3,500 household budget, leaving £400. This is a personal planning estimate, not PAYE or tax advice.

Owner pay is already in company payroll and is not deducted again as a dividend or drawing. Salary remains paid in the downside. The plan assumes no owner contribution beyond stated proposed equity and no household rescue funding.

Illustrative monthly budget	GBP
Gross owner salary	£6,000
Retained pay assumption	**£3,900**
Household budget	**£3,500**
Personal surplus	**£400**

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Financing terms and security

No borrowing is modelled and no lender, security package or financing offer exists. Proposed equity is at risk in an illiquid rights asset and is not a deposit or guaranteed return. No distributions or assumed sale proceeds support operating cash.

A future loan would require a separate amortisation schedule, interest, covenant and rights security review. Do not describe the hypothetical purchase multiple or terminal sensitivity as evidence of bankability.

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Revenue forecast and capacity

Gross master royalty revenue is the initial annual run rate divided by 12, with scenario annual growth or decline. The earned revenue assumption applies only after the conditional acquisition gate and operating launch delay. No stream count or manufactured price per play is used.

Sync revenue is expected completed master placements times the assumed master fee, capped by paid administrative capacity. Publishing and performer society income remain zero. All 60 monthly periods and five annual views remain linked to editable case assumptions.

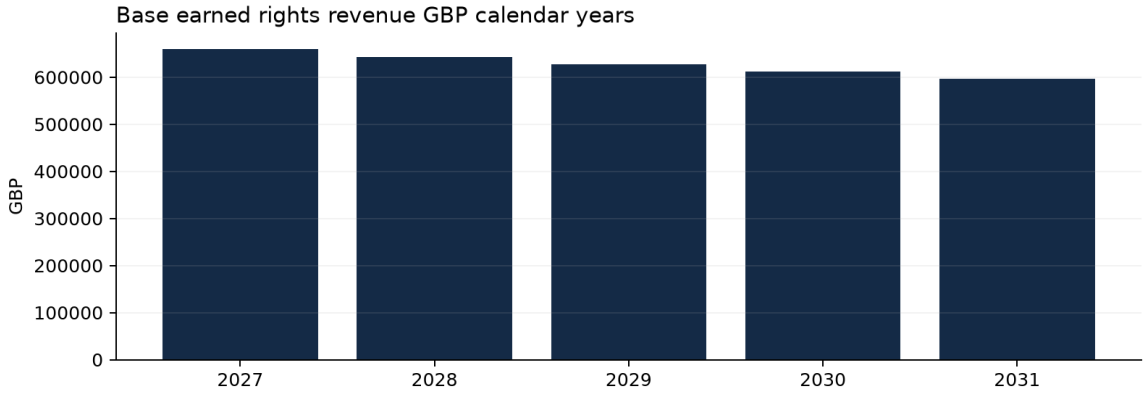


Figure Revenue forecast and capacity. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

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Costs and projected profit

Distributor fees apply to gross master royalties only. Artist master participation applies after distributor fees; sync artist participation applies to the master sync fee. Supplier VAT is conservatively unrecovered and is included in costs. Both distributor and artist percentages are before supplier VAT; the model adds 20 percent unrecovered supplier VAT to each expense. The 10 percent distributor fee becomes 12 percent gross cash cost, and Base master artist cost is 21.6 percent of gross master revenue.

Loaded payroll includes three gross salaries, per person employer NI and full gross pension provision. Gross fixed overhead is £5,000 per month initially. Catalogue amortisation and equipment depreciation are noncash expenses. No unpaid cover, loss relief or input VAT refund improves the result.

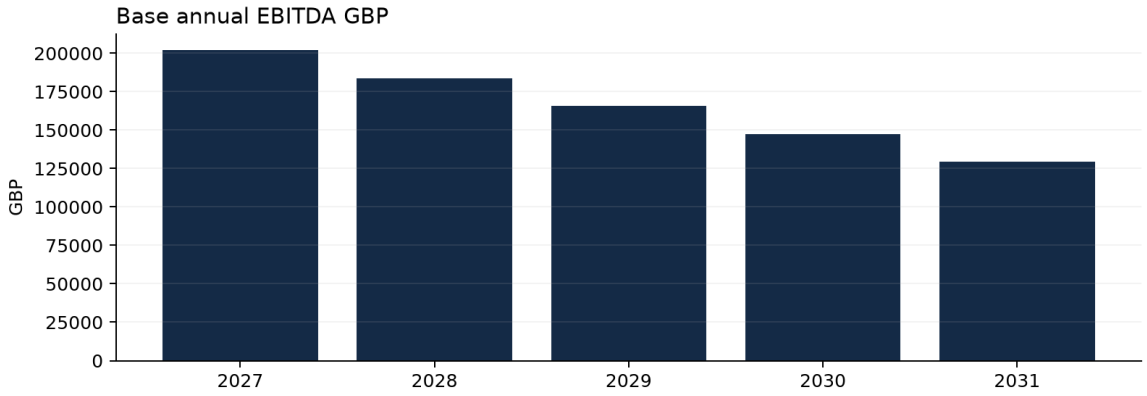


Figure Costs and projected profit. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

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Profit and loss forecast

Report master revenue, sync revenue, distributor fees, artist participation, payroll, overhead, EBITDA, asset charges and tax reserve separately. Gross receipts are not profit, and the seller purchase multiple does not account for the company team.

Tax is a conservative 25 percent reserve on positive monthly accounting profit, paid next month with no loss relief, marginal relief or statutory payment timetable. Intangible tax deductions depend on the actual purchase and are not established by the assumed book amortisation. HMRC BIM56205 describes special tax treatment of master versions, so book amortisation is not asserted as a statutory deduction. A tax adviser must replace this planning reserve with the applicable computation.

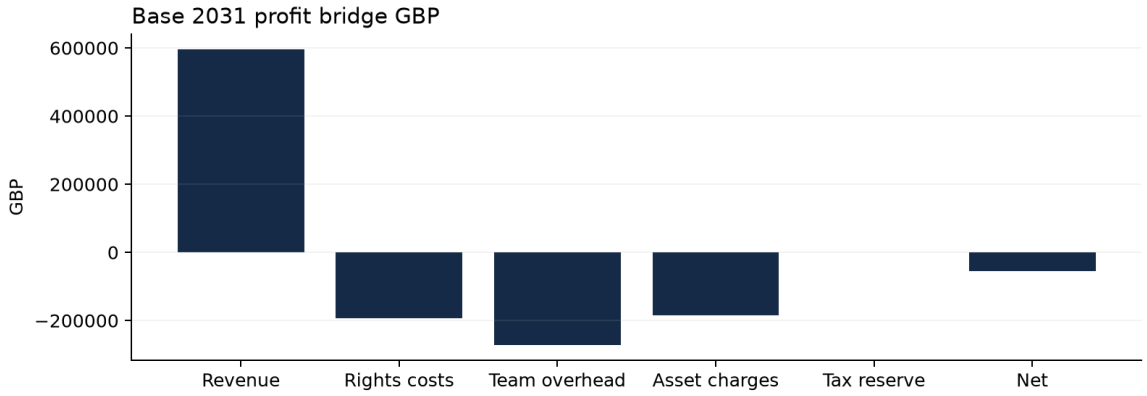


Figure Profit and loss forecast. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

GBP calendar years	2027	2028	2029	2030	2031
Master revenue	£600,000	£582,000	£564,540	£547,604	£531,176
Master sync revenue	£60,000	£61,200	£62,424	£63,672	£64,946
Total revenue	**£660,000**	**£643,200**	**£626,964**	**£611,276**	**£596,122**
Distributor expense	**£72,000**	**£69,840**	**£67,745**	**£65,712**	**£63,741**
Artist royalty expense	**£144,000**	**£140,400**	**£136,922**	**£133,564**	**£130,321**
Contribution	**£444,000**	**£432,960**	**£422,297**	**£412,000**	**£402,060**
Loaded payroll	**£181,830**	**£187,352**	**£193,040**	**£198,899**	**£204,934**
Gross overhead	£60,000	£61,800	£63,654	£65,564	£67,531
EBITDA	**£202,170**	**£183,808**	**£165,602**	**£147,537**	**£129,595**
Total asset charges	**£184,000**	**£184,000**	**£184,000**	**£184,000**	**£184,000**
Pretax profit	**£18,170**	**(£192)**	**(£18,398)**	**(£36,463)**	**(£54,405)**
Tax reserve	£4,543	£0	£0	£0	£0
Net profit	**£13,628**	**(£192)**	**(£18,398)**	**(£36,463)**	**(£54,405)**
Closing cash	**£825,161**	**£1,011,890**	**£1,180,682**	**£1,331,302**	**£1,463,875**

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Cash flow and financial position

Collections lag earnings by three months in Base, six in Downside and two in Upside. Artists are paid three months after earning in Base and Upside and six in Downside. Gross distributor fees are paid immediately. Receipt and payment balances reconcile monthly.

Revenue is UK domestic and assumed invoiced monthly with 20 percent output VAT. VAT cash settles quarterly two months after the quarter end. Supplier VAT is unrecovered, including the acquisition. This is a conservative invoice and timing scenario, not the treatment of a signed contract or international place of supply.

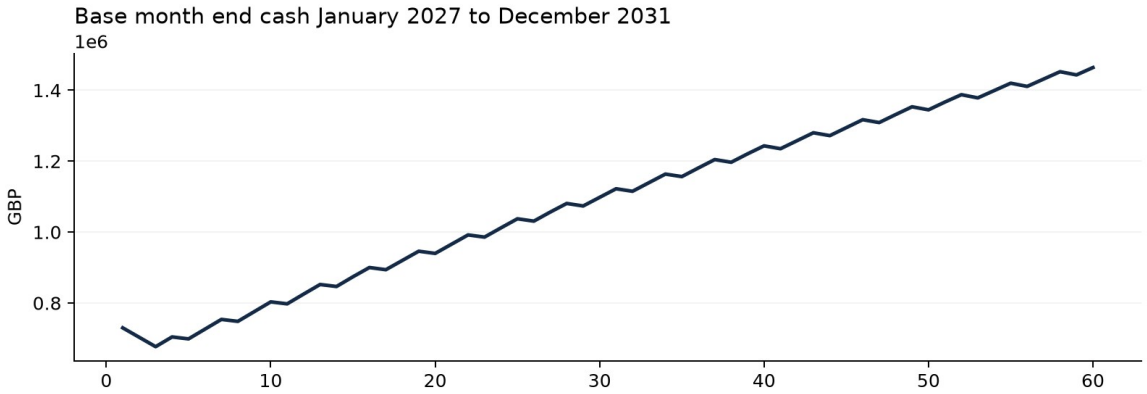


Figure Cash flow and financial position. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

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Cash flow forecast months one to six

The first operating year starts January 2027. Cash must cover payroll, overhead and immediate distributor fees before delayed royalty collections. Artist liabilities and VAT liabilities are carried separately rather than counted as usable profit.

The six month view is an extract of the complete 60 month model. Negative balances show a requirement for agreed funding or a different purchase price. No automatic borrowing or artificial balancing source is available.

GBP 2027	Jan	Feb	Mar	Apr	May	Jun
Opening cash	**756,155**	**730,003**	**703,471**	**676,940**	**704,409**	**698,878**
Gross collections	0	0	0	66,000	66,000	66,000
Distributor fees	6,000	6,000	6,000	6,000	6,000	6,000
Artist payments	0	0	0	12,000	12,000	12,000
Payroll	15,153	15,153	15,153	15,153	15,153	15,153
Overhead	5,000	5,000	5,000	5,000	5,000	5,000
VAT paid	0	0	0	0	33,000	0
Tax paid	0	379	379	379	379	379
Net cash change	**(26,153)**	**(26,531)**	**(26,531)**	**27,469**	**(5,531)**	**27,469**
Closing cash	**730,003**	**703,471**	**676,940**	**704,409**	**698,878**	**726,347**

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Cash flow forecast months seven to twelve

The second six month view completes calendar 2027 and uses the same monthly cash roll forward. It includes artist settlement, VAT and the conservative tax reserve when applicable.

Later periods run to December 2031 in Excel. Capital and rights carrying balances, unpaid royalties, receivables, cash and retained earnings are reconciled throughout the full horizon.

GBP 2027	Jul	Aug	Sep	Oct	Nov	Dec
Opening cash	**726,347**	**753,816**	**748,285**	**775,754**	**803,223**	**797,692**
Gross collections	66,000	66,000	66,000	66,000	66,000	66,000
Distributor fees	6,000	6,000	6,000	6,000	6,000	6,000
Artist payments	12,000	12,000	12,000	12,000	12,000	12,000
Payroll	15,153	15,153	15,153	15,153	15,153	15,153
Overhead	5,000	5,000	5,000	5,000	5,000	5,000
VAT paid	0	33,000	0	0	33,000	0
Tax paid	379	379	379	379	379	379
Net cash change	**27,469**	**(5,531)**	**27,469**	**27,469**	**(5,531)**	**27,469**
Closing cash	**753,816**	**748,285**	**775,754**	**803,223**	**797,692**	**825,161**

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Financial position summary

Catalogue carrying cost is its assumed gross acquisition price less straight line book amortisation over 240 months. Equipment is depreciated over 60 months. Negative cash is displayed directly and is not reclassified as an invented loan.

The carrying value is neither a valuation nor a liquidation receipt. An independent terminal sensitivity multiplies the final annual net master receipts before VAT by a chosen multiple. It stays outside operating cash and equity distributions, with no assumed buyer, closing, tax or transaction costs. Declining receipts require an accountant to assess recoverable value and impairment before use. No impairment loss is estimated because supported cash flows, rights life and market evidence are unavailable; unadjusted book carrying amounts are not an impairment conclusion.

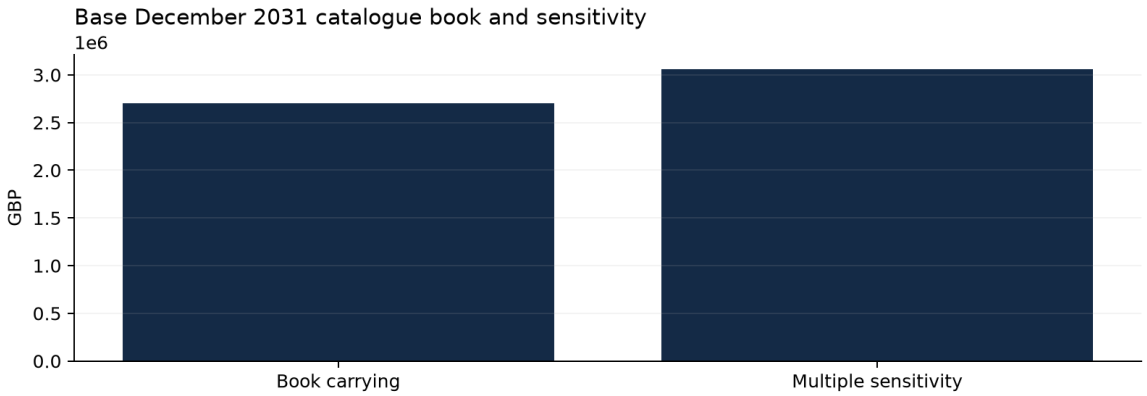


Figure Financial position summary. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

Closing GBP December	2027	2028	2029	2030	2031
Cash	£825,161	£1,011,890	£1,180,682	£1,331,302	£1,463,875
Receivables gross	£198,000	£192,960	£188,089	£183,383	£178,836
Catalogue carrying	£3,420,000	£3,240,000	£3,060,000	£2,880,000	£2,700,000
Equipment carrying	£16,000	£12,000	£8,000	£4,000	£0
Deposit	£10,000	£10,000	£10,000	£10,000	£10,000
Total assets	**£4,469,161**	**£4,466,850**	**£4,446,771**	**£4,408,684**	**£4,352,711**
Artist payable	£36,000	£35,100	£34,231	£33,391	£32,580
VAT payable	£33,000	£32,160	£31,348	£30,564	£29,806
Tax reserve payable	£379	£0	£0	£0	£0
Total liabilities	**£69,379**	**£67,260**	**£65,579**	**£63,955**	**£62,386**
Paid equity	£4,500,000	£4,500,000	£4,500,000	£4,500,000	£4,500,000
Retained earnings	(£100,218)	(£100,410)	(£118,808)	(£155,270)	(£209,675)
Total equity	**£4,399,783**	**£4,399,590**	**£4,381,192**	**£4,344,730**	**£4,290,325**
Liabilities and equity	**£4,469,161**	**£4,466,850**	**£4,446,771**	**£4,408,684**	**£4,352,711**
Balance difference	0.00	0.00	0.00	0.00	0.00

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Break even and scenarios

Break even compares earned contribution after distributor and artist expenses with loaded payroll and fixed costs. The model also reports the gross master annual run rate required to cover EBITDA costs after expected sync contribution. A profitable month does not remove receipt lag risk.

Base, Downside and Upside snapshots are captured as of 3 October 2026. Exact per input checks across every case show when captures are stale, including missing values and equal offset changes. A selected missing numeric input makes outputs unavailable; zero is a legitimate value.

Base 2031 EBITDA is £129,595 before catalogue and equipment charges of £184,000. The Base book catalogue balance is £2,700,000, while the separate multiple sensitivity is £3,059,572. Neither figure is a sale receipt or evidence of recoverable value.

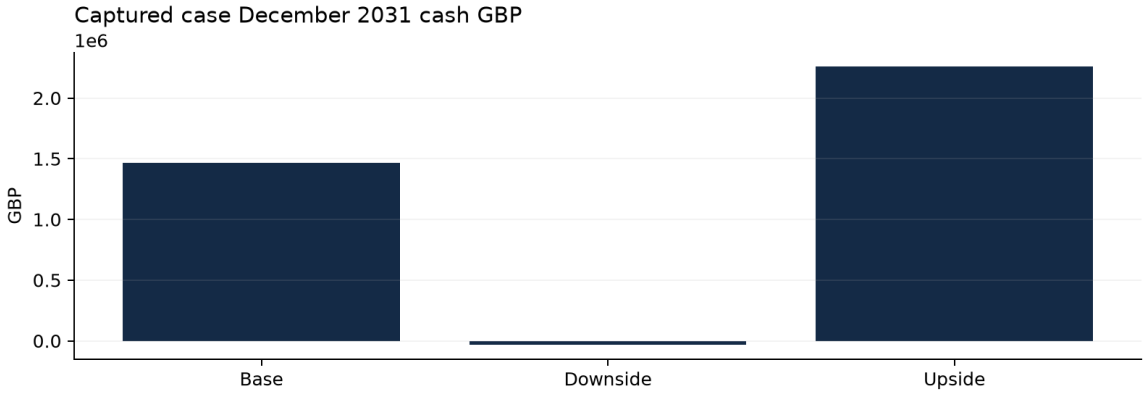


Figure Break even and scenarios. Source royalties v1 GBP January 2027 to December 2031. Base unless labelled captures. Terminal value is outside cash.

Captured royalties v1	2031 revenue	2031 cash	Minimum cash	Reserve gap
Base	**£596,122**	**£1,463,875**	**£676,940**	**£0**
Downside	**£239,890**	**(£35,160)**	**(£35,160)**	**£785,160**
Upside	**£896,254**	**£2,259,365**	**£700,858**	**£0**

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Model guide and completion

Inputs contains one selected live case and three editable case columns. Summary, Startup, Royalties, Payroll, Statements and Valuation are live formula sheets; Cases contains visibly dated captures and exact freshness comparisons. Guide describes scope, assumptions and refresh.

FIRST save the edited Excel workbook and run retained build_model.mjs with --import-inputs and its absolute path to copy all Base, Downside and Upside values into input-assumptions.json. Without that option, the build replaces Excel inputs from retained source values. Refresh Word and visuals from the resulting model results before using revised projections.