

**Registration number 00500688**

**Meridian Music Publishing Company Limited**

**Directors' report and financial statements**

**for the year ended 31 December 2003**



# **Meridian Music Publishing Company Limited**

## **Company information**

Directors	N. R. Elderton K.M. Spanberger (Appointed 1/7/03) R. I. Peer II D. P. Toone
Secretary	D. P. Toone
Company number	00500688
Registered office	Peer House 8 - 14 Verulam Street London WC1X 8LZ
Auditors	Bowker Orford 15 - 19 Cavendish Place London W1G 0DD
Business address	Peer House 8 - 14 Verulam Street London WC1X 8LZ

# **Meridian Music Publishing Company Limited**

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**Meridian Music Publishing Company Limited**

**Directors' report  
for the year ended 31 December 2003**

The directors present their report and the financial statements for the year ended 31 December 2003.

**Principal activity**

The principal activity of the company is the provision of services within the music industry.

**Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

	<b>Ordinary shares</b>	
	<b>31/12/03</b>	<b>01/01/03 or date of appointment</b>
N. R. Elderton	-	-
K-M Karnstedt (Resigned 30/6/03)	-	-
K.M. Spanberger (Appointed 1/7/03)	-	-
R. I. Peer II	-	-
D. P. Toone	-	-

**Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 proper accounting records which 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 1985. 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.

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Bowker Orford be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 1<sup>st</sup> June 2004 and signed on its behalf by



**D. P. Toone**  
**Secretary**

## **Meridian Music Publishing Company Limited**

### **Independent auditors' report to the shareholders of Meridian Music Publishing Company Limited**

We have audited the financial statements of Meridian Music Publishing Company Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

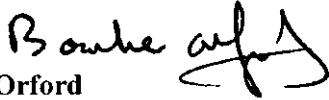
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Meridian Music Publishing Company Limited**

**Independent auditors' report to the shareholders of Meridian Music Publishing Company Limited**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Bowker Orford  
Chartered Accountants and  
Registered Auditor

15 - 19 Cavendish Place  
London  
W1G 0DD

9th June 2004

**Profit and loss account**  
**for the year ended 31 December 2003**

There are no recognised gains or losses other than the profit or loss for the above two financial years.  
There are no acquisitions or discontinued operations during the current or preceding year

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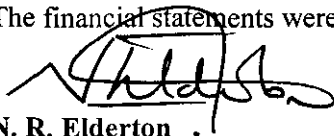
# Meridian Music Publishing Company Limited

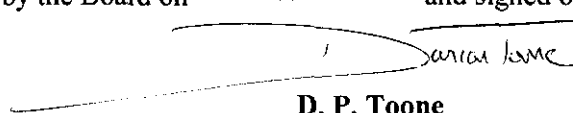
## Balance sheet as at 31 December 2003

		2003		2002	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		3,740		5,076
<b>Creditors: amounts falling due within one year</b>	5	(10,066)		(12,549)	
<b>Net current liabilities</b>			(10,066)		(12,549)
<b>Deficiency of assets</b>			(6,326)		(7,473)
<b>Capital and reserves</b>					
Called up share capital	6		100		100
Profit and loss account			(6,426)		(7,573)
<b>Equity shareholders' funds</b>	7		(6,326)		(7,473)

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The financial statements were approved by the Board on 1<sup>st</sup> June 2004 and signed on its behalf by

  
N. R. Elderton  
Director

  
D. P. Toone  
Director

The notes on pages 7 to 9 form an integral part of these financial statements.



**Meridian Music Publishing Company Limited**

**Cash flow statement  
for the year ended 31 December 2003**

	Notes	2003 £	2002 £
<b>Reconciliation of operating profit to net cash outflow from operating activities</b>			
Operating profit		1,147	1,112
Depreciation		3,939	5,990
(Decrease) in creditors		(2,483)	(3,926)
<b>Net cash outflow from operating activities</b>		<u>2,603</u>	<u>3,176</u>
<b>Cash flow statement</b>			
Net cash outflow from operating activities		2,603	3,176
Capital expenditure	11	(2,603)	(3,176)
<b>Increase in cash in the year</b>		<u>-</u>	<u>-</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 12)</b>			
<b>Increase in cash in the year</b>		-	-
<b>Net funds at 31 December 2003</b>		<u>-</u>	<u>-</u>

# Meridian Music Publishing Company Limited

## Notes to the financial statements for the year ended 31 December 2003

### 1. Accounting policies

#### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

#### 1.2. Turnover

Turnover represents income from the hire of studio services and sales of recorded tapes. All turnover is within the United Kingdom.

#### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings  
and equipment - 25% Straight Line

#### 1.4. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial year.

Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date.

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### 3. Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	3,939	5,990
Auditors' remuneration	1,100	1,000

**Meridian Music Publishing Company Limited**

**Notes to the financial statements  
for the year ended 31 December 2003**

..... continued

<b>4. Tangible fixed assets</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2003	41,798	41,798
Additions	2,603	2,603
At 31 December 2003	<u>44,401</u>	<u>44,401</u>
<b>Depreciation</b>		
At 1 January 2003	36,722	36,722
Charge for the year	3,939	3,939
At 31 December 2003	<u>40,661</u>	<u>40,661</u>
<b>Net book values</b>		
At 31 December 2003	<u>3,740</u>	<u>3,740</u>
At 31 December 2002	<u>5,076</u>	<u>5,076</u>
 <b>5. Creditors: amounts falling due within one year</b>	 <b>2003 £</b>	 <b>2002 £</b>
Amounts owed to group undertaking	8,966	11,549
Accruals and deferred income	1,100	1,000
	<u>10,066</u>	<u>12,549</u>
 <b>6. Share capital</b>	 <b>2003 £</b>	 <b>2002 £</b>
<b>Authorised equity</b>		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
 <b>Allotted, called up and fully paid equity</b>		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>

# Meridian Music Publishing Company Limited

## Notes to the financial statements for the year ended 31 December 2003

..... continued

7. Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the year	1,147	1,112
Opening shareholders' funds	(7,473)	(8,585)
Closing shareholders' funds	<u>(6,326)</u>	<u>(7,473)</u>

### 8. Contingent liabilities

The company is included within the Peermusic (UK) Group for V.A.T. registration. As a result, a contingent liability may arise for the Group V.A.T. due.

### 9. Ultimate parent undertaking

The company is a wholly owned subsidiary of Peermusic (U.K.) Limited which is itself a subsidiary of Peermusic III Limited, a Company registered in the United States of America.

### 10. Controlling interest

D.P. Toone has a controlling interest in a company which has provided supplies and services totalling £4,000 (2002 £3,000 ) during the year.

### 11. Gross cash flows

	2003 £	2002 £
<b>Capital expenditure</b>		
Payments to acquire tangible assets	<u>(2,603)</u>	<u>(3,176)</u>