REGISTERED NUMBER 01600521 (England and Wales)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

FOR

MEAN FIDDLER HOLDINGS LIMITED

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for the year ended 31 July 2009

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MEAN FIDDLER HOLDINGS LIMITED

COMPANY INFORMATION
for the year ended 31 July 2009

DIRECTORS	A C Driscoll D James D Myers
SECRETARY	Harrison Clark (Secretarial) Limited
REGISTERED OFFICE:	59 - 65 Worship Street London EC2A 2DU
REGISTERED NUMBER:	01600521 (England and Wales)
AUDITORS	BDO LLP Statutory Auditor 55 Baker Street London, United Kingdom W1U 7EU
BANKERS	Bank of Scotland St James's Gate 14-16 Cockspur Street London SW1Y 5BL

MEAN FIDDLER HOLDINGS LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 July 2009

The directors present their report with the financial statements of the company for the year ended 31 July 2009

The comparative period relates to the 7 months ended 31 July 2008

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the operation of live music venues and events

REVIEW OF BUSINESS
This years operations comprise of the production and promotion of live music and other music entertainment, through its venues, Jazz Cafe, Borderline, ULU, Edinburgh Picture House and The Relentless Garage

During the year under review, the operating units have shown an improvement on previous years The Edinburgh Picture House was purchased in the year ended 31 July 2008 This opened in November 2008 and trading has since met managements expectation The Relentless Garage opened in June 2009 and has shown strong results since opening Total capital expenditure during the period was £2,062,490, the majority of this was spent refurbishing the two new venues Management is continually reflecting the challenges of changing customer musical tastes and believe this will lead to further improvement in results in the next financial year

The key performance indicators on these venues are monthly gross margins, the number of events, spend per head and average attendance All have shown an improvement on the prior period

The Borderline is due for a refurbishment during the next financial year

DIVIDENDS
No dividends have been recognised for the year ended 31 July 2009 (2008 nil)

DIRECTORS
The directors shown below have held office during the whole of the period from 1 August 2008 to the date of this report

A C Driscoll
D James

Other changes in directors holding office are as follows

T Simmons - resigned 14 January 2009
D Myers - appointed 14 January 2009

FINANCIAL INSTRUMENTS
Details of the use of financial instruments by the company is contained in note 20 of the financial statements

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

ON BEHALF OF THE BOARD

A C Driscoll - Director

Date 11/02/2010

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
MEAN FIDDLER HOLDINGS LIMITED

We have audited the financial statements of MEAN FIDDLER HOLDINGS LIMITED for the year ended 31 July 2009 which comprise the profit and loss account, the balance sheet and the related notes 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)

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 a Report of the Auditors 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 auditors
As explained more fully in the Statement of Directors' Responsibilities, 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 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 (APB'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

Opinion on financial statements
In our opinion the financial statements
- give a true and fair view of the state of the company's affairs as at 31 July 2009 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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
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
- adequate accounting records have not been kept, or returns adequate for 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
- we have not received all the information and explanations we require for our audit

BDO LLP

Matthew White (Senior Statutory Auditor)
for and on behalf of BDO LLP
Statutory Auditor
55 Baker Street
London, United Kingdom
W1U 7EU

Date 11 February 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

MEAN FIDDLER HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 July 2009

	Notes	Year Ended 31 7 09 £	Period 1 1 08 to 31 7 08 £
TURNOVER		5,104,385	2,745,177
Cost of sales		(2,887,485)	(1,971,959)
GROSS PROFIT		2,216,900	773,218
Administrative expenses		(2,345,959)	(1,564,926)
OPERATING LOSS	3	(129,059)	(791,708)
Interest payable and similar charges	4	(6,839)	(86,904)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(135,898)	(878,612)
Tax on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION	15	(135,898)	(878,612)

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous period

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the losses for the current year or previous period

The notes form part of these financial statements

BALANCE SHEET
31 July 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	6	7,097,046	5,467,555
CURRENT ASSETS			
Stocks	7	65,581	21,397
Debtors	8	2,485,306	1,351,834
Cash at bank and in hand		36,804	604,464
		2,587,691	1,977,695
CREDITORS			
Amounts falling due within one year	9	(3,857,264)	(7,857,617)
NET CURRENT LIABILITIES		(1,269,573)	(5,879,922)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,827,473	(412,367)
CREDITORS			
Amounts falling due after more than one year	10	(53,155)	-
PROVISIONS FOR LIABILITIES	13	(70,000)	(347,417)
NET ASSETS/(LIABILITIES)		5,704,318	(759,784)
CAPITAL AND RESERVES			
Called up share capital	14	133,297	1,297
Share premium	15	16,044,695	9,576,695
Profit and loss account	15	(10,473,674)	(10,337,776)
SHAREHOLDERS' FUNDS	19	5,704,318	(759,784)

The financial statements were approved and authorised for issue by the Board of Directors on 11/02/2010 and were signed on its behalf by

A C Driscoll - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Net current liabilities
As at 31 July 2009 the Company has net current liabilities of £1,269,573 The Company has prepared forecasts and cashflows for the next two years and the Directors consider that the Company has adequate resources to continue as a going concern for the foreseeable future

Financial Reporting Standard Number 1
Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Turnover
Turnover, which is stated net of value added tax, is attributable to one continuing activity, the operation of live music events and venues The source and destination of all the company's turnover and profit was the United Kingdom

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 2% on cost
Short leasehold	- over the term of the lease
Fixtures and fittings	- over 3 - 10 years
Computer equipment	- over 3 - 5 years

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax
Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse Deferred tax assets and liabilities are not discounted

Leases
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Provisions
Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated Provisions are recognised based on the Directors' best estimate at the balance sheet date Provisions have not been discounted as the effect is not material

2 STAFF COSTS

	Year Ended 31 7 09 £	Period 1 1 08 to 31 7 08 £
Wages and salaries	896,864	584,562
Social security costs	70,293	28,418
Other pension costs	3,877	1,711
	971,034	614,691

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	Year Ended 31 7 09	Period 1 1 08 to 31 7 08
Office and management	13	25
Venue staff	69	46
	82	71

3 OPERATING LOSS

The operating loss is stated after charging

	Year Ended 31 7 09 £	Period 1 1 08 to 31 7 08 £
Hire of plant and machinery	53,277	-
Other operating leases	376,550	329,000
Depreciation - owned assets	432,999	91,691
Finance lease/hire purchase depreciation	13,779	-
Directors' remuneration	-	-

The audit fee borne by the company for the year ended 31 July 2009 was £40,000 (2008 - £12,500)

The directors remuneration was borne by the joint venture parent companies and recharged through management fees

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 7 09 £	Period 1 1 08 to 31 7 08 £
Bank interest	-	237
Interest payable	-	86,667
Hire purchase	6,839	-
	6,839	86,904

Interest payable of £86,667 was charged from MAMA Group plc in the year ended 31 July 2008, with interest being charged at 6 5% This loan was capitalised during the year and no interest was charged for the year ended 31 July 2009

5 TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2009 nor for the period ended 31 July 2008

5 **TAXATION - continued**

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	Year Ended 31 7 09 £	Period 1 1 08 to 31 7 08 £
Loss on ordinary activities before tax	(135,898)	(878,612)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 29 200%)	(38,051)	(256,555)
Effects of		
Expenses not deductible for tax	3,063	86,973
Capital allowances for the year in excess of depreciation	55,918	2,154
Surrendered to other group companies	-	167,428
Utilisation of losses brought forward	(20,930)	-
Current tax charge	-	-

6 **TANGIBLE FIXED ASSETS**

	Freehold property £	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 August 2008	4,205,563	1,242,346	464,332	23,310	5,935,551
Additions	12,008	1,062,019	899,688	88,775	2,062,490
At 31 July 2009	4,217,571	2,304,365	1,364,020	112,085	7,998,041
DEPRECIATION					
At 1 August 2008	20,219	126,844	314,974	5,959	467,996
Charge for year	120,462	88,453	214,612	9,472	432,999
At 31 July 2009	140,681	215,297	529,586	15,431	900,995
NET BOOK VALUE					
At 31 July 2009	4,076,890	2,089,068	834,434	96,654	7,097,046
At 31 July 2008	4,185,344	1,115,502	149,358	17,351	5,467,555

The net book value of tangible fixed assets includes an amount of £132,755 in respect of assets held under finance leases and hire purchase

7 **STOCKS**

	2009 £	2008 £
Finished goods	65,581	21,397

8 **DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Trade debtors	717,469	47,290
Amounts owed by group undertakings	1,320,756	1,196,186
Other debtors	126,866	10,603
Prepayments and accrued income	320,215	97,755
	2,485,306	1,351,834

8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Bank loans and overdrafts (see note 11)	1,187,054	-
Finance leases (see note 12)	48,573	-
Trade creditors	509,478	466,478
Amounts owed to group undertakings	1,099,461	6,773,798
Social security and other taxes	270,943	63,743
Other creditors	255,056	347,185
Accruals and deferred income	486,699	206,413
	3,857,264	7,857,617

Amounts owed to group undertakings are unsecured, interest free and repayable on demand As at 31 July 2008 there was an amount due to MAMA Group plc of £4,000,000 for the purchase of the Edinburgh Picture House Interest was charged on this balance at 6 5% The amount was capitalised during the year and no interest was charged in the year ended 31 July 2009

10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009	2008
	£	£
Finance leases (see note 12)	53,155	-

11 LOANS

An analysis of the maturity of loans is given below

	2009	2008
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	1,187,054	-

12 OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2009	2008
	£	£
Net obligations repayable		
Within one year	48,573	-
Between one and five years	53,155	-
	101,728	-

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2009	2008
	£	£
Expiring		
In more than five years	424,500	554,500

13 PROVISIONS FOR LIABILITIES

	2009	2008
	£	£
Other provisions	70,000	347,417

13 PROVISIONS FOR LIABILITIES - continued

	Dilapidations £	Onerous leases £
Balance at 1 August 2008	92,000	255,417
Released in the year	(42,000)	(131,667)
Transfer of ownership	-	(123,750)
Additional provision	20,000	-
Balance at 31 July 2009	70,000	-

The provision for dilapidations is for the Jazz Cafe The onerous lease provision was for The Old Mean Fiddler venue in Harlesden, the lease was transfered to Channelfly plc, a subsidiary of MAMA Group plc during the year

14 CALLED UP SHARE CAPITAL

Allotted and issued

Number	Class	Nominal value	2009 £	2008 £
13,329,699 (2008 – 129,699)	Ordinary Shares	1p	133,297	1,297

13,200,000 Ordinary shares of £0 01 each were issued at a price of £0 50 The total consideration was £6,600,000 and was in the form of the capitalisation of intragroup loan balances

15 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 August 2008	(10,337,776)	9,576,695	(761,081)
Deficit for the year	(135,898)		(135,898)
Share issue	-	6,468,000	6,468,000
At 31 July 2009	(10,473,674)	16,044,695	5,571,021

16 ULTIMATE PARENT COMPANY

The company's parent undertaking is Mean Fiddler Group Limited as it controls 100% of the voting rights Copies of the group accounts which include the company may be requested from 59 - 65 Worship Street, London, EC2A 2DU Mean Fiddler Group Limited is jointly owned by MAMA Group plc and hmv group plc

On 29 January 2010 an offer from hmv group plc to purchase the issued capital of MAMA Group plc became unconditional as HMV owned or had received valid acceptances in respect of a total of approximately 66 3 per cent of MAMA's issued share capital The ultimate parent undertaking is now hmv group plc

17 CONTINGENT LIABILITIES

At 31 July 2009, the company was party to a group facility over which the group bankers have a cross guarantee The amount outstanding on this facility at 31 July 2009 was £Nil (2008 £Nil)

18 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption within FRS 8 not to disclose transactions with group members where 100% of the voting rights are controlled within the group

Mean Fiddler Holdings Limited charged G-A-Y Group Limited, a 66 25% subsidiary of Mean Fiddler Holdings Limited, a management fee of £75,996 The amount outstanding at the year end was £579,225 and is included in intercompany debtors

Channefly plc, a 100% subsidiary of MAMA Group plc charged Mean Fiddler Holdings Limited a management fee and recharged various other administrative expenses totalling £106,098 and the year end balance was £28,748 and is included in other debtors Hmv group plc also charged a management fee of £54,561 and the year end balance was (£19,978) and is included in other creditors

Mean Fiddler Holdings limited invoiced MF Presents Limited, a 100% subsidiary of MAMA Group plc, £9,414 for advertising The balances outstanding at the year end are £8,295 included in trade debtors and £66,145 is included in other creditors

Mean Fiddler Holdings Limited invoiced £721,598 to Music and Media Solutions Limited, an 80% subsidiary of MAMA Group plc for sponsorship income, the amount outstanding at the year end was £606,782 and is included in trade debtors

Mean Fiddler Holdings Limited recharged various costs such as administrative expenses to Barfly Club Holdings Limited totalling £31,517 The year end balance was £6,529 and was included in trade creditors

Mean Fiddler Holdings Limited recharged various costs such as administrative expenses to Heaven (London) Limited, a 66 25% subsidiary of Mean Fiddler Holdings Limited The year end balance is £82,082 and is included in amounts owed to group undertakings at the year end

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Loss for the financial year	(135,898)	(878,612)
Issue of share capital	132,000	-
Share Premium	6,468,000	-
Net addition/(reduction) to shareholders' funds	6,464,102	(878,612)
Opening shareholders' funds	(759,784)	118,828
Closing shareholders' funds	5,704,318	(759,784)

20 FINANCIAL INSTRUMENTS

The Company's policy is to minimise the risks associated with credit and liquidity within the business The Company has put in place a number of policies to manage these financial risks These include

- Regular review of debtors with management to agree procedures in respect of individual debts,
- Placing surplus funds on deposit accounts
- Preparation of updated cash flows to reflect actual and forecast requirements on a regular basis and

The Company holds financial instruments to finance its operations The most significant financial asset at the year end is cash The Company has trade debtors and trade creditors, which are generated in the normal course of business

At the year end the Company had sterling denominated current account balances of £36,804 and an overdraft facility of £1,187,054 The Company is part of a Group offset facility where surplus cash above working capital requirements is held in deposit accounts which can be drawn on demand or on fixed notice periods, which attract fixed interest rates

The Company's policy is to finance working capital through cash inflows from the businesses of the Company The Company uses overdraft facilities and finance leases where additional working capital is required These are taken out at the prevailing market interest rates

The Company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures The Company undertakes to collect debts as and when they fall due, and will use solicitors where necessary to recover debt