

REGISTERED NUMBER 01600521 (England and Wales)

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010  
FOR  
MEAN FIDDLER HOLDINGS LIMITED

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MEAN FIDDLER HOLDINGS LIMITED (Registered number 01600521)

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for the year ended 31 July 2010

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MEAN FIDDLER HOLDINGS LIMITED

COMPANY INFORMATION  
for the year ended 31 July 2010

<b>DIRECTORS</b>	D James S Fox
<b>SECRETARY</b>	E Marriner
<b>REGISTERED OFFICE</b>	59 - 65 Worship Street London EC2A 2DU
<b>REGISTERED NUMBER</b>	01600521 (England and Wales)
<b>AUDITORS</b>	BDO LLP 55 Baker Street London, United Kingdom W1U 7EU
<b>BANKERS</b>	Bank of Scotland St James's Gate 14-16 Cockspur Street London SW1Y 5BL

MEAN FIDDLER HOLDINGS LIMITED (Registered number 01600521)

REPORT OF THE DIRECTORS  
for the year ended 31 July 2010

The directors present their report with the financial statements of the company for the year ended 31 July 2010

**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 Relentless Garage opened in June 2009 and has shown strong results since opening. The HMV Institute in Birmingham was purchased in the year ended 31 July 2010, this started trading in September 2010. Total capital expenditure during the period was £1,336,225, the majority of this was spent on the new venue. 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.

**DIVIDENDS**

No dividends have been recognised for the period ended 31 July 2010 (2009 nil)

**DIRECTORS**

D James has held office during the whole of the period from 1 August 2009 to the date of this report.

Other changes in directors holding office are as follows:

A C Driscoll - resigned 25 February 2010

D Myers - resigned 28 March 2010

S Fox - appointed 2 March 2010

**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.

MEAN FIDDLER HOLDINGS LIMITED (Registered number 01600521)

REPORT OF THE DIRECTORS  
for the year ended 31 July 2010

**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 handwritten signature in black ink, appearing to read 'D James', is written over a horizontal line.

D James - Director

Date 15 December 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 2010 which comprise the profit and loss account, the balance sheet and 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 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 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 set out on page two, 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 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 2010 and of its profit 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.

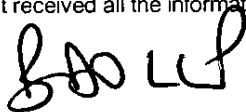
**Opinion on other matter prescribed by the Companies Act 2006**

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 our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



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

Date

15 December 2010

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

MEAN FIDDLER HOLDINGS LIMITED (Registered number 01600521)

PROFIT AND LOSS ACCOUNT  
for the year ended 31 July 2010

	Notes	2010 £	2009 £
<b>TURNOVER</b>		7,292,818	5,104,385
Cost of sales		(3,556,870)	(2,887,485)
<b>GROSS PROFIT</b>		3,735,948	2,216,900
Administrative expenses		(3,491,666)	(2,345,959)
<b>OPERATING PROFIT/(LOSS)</b>	3	244,282	(129,059)
Interest receivable and similar income		46,166	-
		290,448	(129,059)
Interest payable and similar charges	4	(8,469)	(6,839)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		281,979	(135,898)
Tax on profit/(loss) on ordinary activities	5	565	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		282,544	(135,898)

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements

MEAN FIDDLER HOLDINGS LIMITED (Registered number 01600521)

**BALANCE SHEET**

31 July 2010

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	6	7,862,857	7,097,046
<b>CURRENT ASSETS</b>			
Stocks	7	65,210	65,581
Debtors	8	5,396,408	2,485,306
Cash at bank and in hand		11,985,832	36,804
		<u>17,447,450</u>	<u>2,587,691</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(19,303,004)	(3,857,264)
<b>NET CURRENT LIABILITIES</b>		<u>(1,855,554)</u>	<u>(1,269,573)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,007,303	5,827,473
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(4,096)	(53,155)
<b>PROVISIONS FOR LIABILITIES</b>	13	<u>(16,345)</u>	<u>(70,000)</u>
<b>NET ASSETS</b>		<u>5,986,862</u>	<u>5,704,318</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	133,297	133,297
Share premium	15	16,044,695	16,044,695
Profit and loss account	15	(10,191,130)	(10,473,674)
<b>SHAREHOLDERS' FUNDS</b>	19	<u>5,986,862</u>	<u>5,704,318</u>

The financial statements were approved and authorised for issue by the Board of Directors on  
**15 December 2010** and were signed on its behalf by



D James - Director

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 July 2010**

**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 2010, the company has net current liabilities of £1,855,554. 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**

	2010	2009
	£	£
Wages and salaries	1,161,766	896,864
Social security costs	76,478	70,293
Other pension costs	-	3,877
	<u>1,238,244</u>	<u>971,034</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 July 2010

**2 STAFF COSTS - continued**

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

	2010	2009
Office and management	22	13
Venue staff	99	69
	<u>121</u>	<u>82</u>

**3 OPERATING PROFIT/(LOSS)**

The operating profit (2009 - operating loss) is stated after charging

	2010 £	2009 £
Hire of plant and machinery	18,816	53,277
Other operating leases	418,436	376,550
Depreciation - owned assets	570,414	432,999
Finance lease hire purchase depreciation	14,752	13,779
	<u></u>	<u></u>

Directors' remuneration	-	-
	<u></u>	<u></u>

The audit fee borne by the company for the year ended 31 July 2010 was £40,000 (2009 - £40,000)

The directors remuneration was borne by another group company

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Bank interest	8,469	-
Hire purchase	-	6,839
	<u>8,469</u>	<u>6,839</u>

**5 TAXATION**

**Analysis of the tax credit**

The tax credit on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
UK corporation tax	(565)	-
	<u>(565)</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities		
	<u>(565)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2010

## 5 TAXATION - continued

**Factors affecting the tax credit**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	<u>281,979</u>	<u>(135,898)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	78,954	(38,051)
Effects of		
Expenses not deductible for tax	38,123	3,063
Capital allowances for the year in excess of depreciation companies	49,880	55,918
Utilisation of losses brought forward	(166,957)	(20,930)
Taxation credit in relation to prior periods	(565)	-
Current tax credit	<u>(565)</u>	<u>-</u>

The company has tax losses of approximately £5,359,408 (2009 - £5,955,683) which may be available for offset against future profits. No deferred tax asset has been recognised in respect of these losses due to the lack of certainty over the generation of future profits against which these losses might be offset.

## 6 TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 August 2009	4,217,571	2,304,365	1,364,020	112,085	7,998,041
Additions	15,400	769,596	479,740	71,489	1,336,225
At 31 July 2010	<u>4,232,971</u>	<u>3,073,961</u>	<u>1,843,760</u>	<u>183,574</u>	<u>9,334,266</u>
<b>DEPRECIATION</b>					
At 1 August 2009	140,681	215,297	529,586	15,431	900,995
Charge for year	121,746	145,056	276,994	26,618	570,414
At 31 July 2010	<u>262,427</u>	<u>360,353</u>	<u>806,580</u>	<u>42,049</u>	<u>1,471,409</u>
<b>NET BOOK VALUE</b>					
At 31 July 2010	<u>3,970,544</u>	<u>2,713,608</u>	<u>1,037,180</u>	<u>141,525</u>	<u>7,862,857</u>
At 31 July 2009	<u>4,076,890</u>	<u>2,089,068</u>	<u>834,434</u>	<u>96,654</u>	<u>7,097,046</u>

## 7 STOCKS

	2010 £	2009 £
Finished goods	<u>65,210</u>	<u>65,581</u>

## 8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	136,618	717,469
Amounts owed by group undertakings	4,996,877	1,320,756
Other debtors	139,055	126,866
Prepayments and accrued income	123,858	320,215
	<u>5,396,408</u>	<u>2,485,306</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 July 2010

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**

	2010 £	2009 £
Bank loans and overdrafts (see note 11)	-	1,187,054
Finance leases (see note 12)	46,970	48,573
Trade creditors	835,322	509,478
Amounts owed to group undertakings	3,088,056	1,099,461
Social security and other taxes	5,878	270,943
Other creditors	14,828,791	255,056
Accruals and deferred income	497,987	486,699
	<u>19,303,004</u>	<u>3,857,264</u>

10 **CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010 £	2009 £
Finance leases (see note 12)	<u>4,096</u>	<u>53,155</u>

11 **LOANS**

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank overdrafts	<u>-</u>	<u>1,187,054</u>

12 **OBLIGATIONS UNDER LEASING AGREEMENTS**

	2010 £	2009 £
Net obligations repayable		
Within one year	46,970	48,573
Between one and five years	4,096	53,155
	<u>51,066</u>	<u>101,728</u>

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

	2010 £	2009 £
Expiring		
In more than five years	<u>424,500</u>	<u>424,500</u>

13 **PROVISIONS FOR LIABILITIES**

	2010 £	2009 £
Other provisions	<u>16,345</u>	<u>70,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 July 2010

**13 PROVISIONS FOR LIABILITIES - continued**

	Dilapidations £
Balance at 1 August 2009	70,000
Released in the year	(53,655)
Balance at 31 July 2010	<u>16,345</u>

The provision for dilapidations is for the Jazz Café

**14 CALLED UP SHARE CAPITAL**

Allotted and issued Number	Class	Nominal value 1p	2010 £	2009 £
129,699	Ordinary Shares		<u>133,297</u>	<u>133,297</u>

**15 RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 August 2009	(10,473,674)	16,044,695	5,571,021
Profit for the year	<u>282,544</u>		<u>282,544</u>
At 31 July 2010	<u>(10,191,130)</u>	<u>16,044,695</u>	<u>5,853,565</u>

**16 ULTIMATE PARENT COMPANY**

The Company's parent undertaking is Mean Fiddler Group Limited, the ultimate parent company and controlling party is HMV Group Plc. Copies of the group accounts, which include the Company, may be requested from 59-65 Worship Street, London EC2A 2DU

**17 CONTINGENT LIABILITIES**

At 31 July 2010, the company was party to a group overdraft facility over which the group bankers have a cross guarantee. The amount outstanding on this facility at 31 July 2010 was £Nil (2009: £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 £100,000 (2009: £75,996). The amount outstanding at the year end was £579,150 (2009: £579,225) and is included in intercompany debtors.

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 £60,791 (2009: £82,082) and is included in amounts owed to group undertakings at the year end.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 July 2010

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Profit/(Loss) for the financial year	282,544	(135,898)
Issue of share capital	-	132,000
Share Premium	-	6,468,000
<b>Net addition to shareholders' funds</b>	<b>282,544</b>	<b>6,464,102</b>
Opening shareholders' funds	5,704,318	(759,784)
<b>Closing shareholders' funds</b>	<b>5,986,862</b>	<b>5,704,318</b>

**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 £11,985,832 (2009 - £36,804) and an overdraft facility of £Nil (2009 - £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.

**21 CAPITAL COMMITMENTS**

The company had contracted capital commitments for fixed assets for the new venue in Birmingham of £820,000.