

Circa Records Limited

Directors' report and financial statements

31 March 2008

Registered No. 1974801

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Circa Records Limited

Registered No. 1974801

Directors

J French (resigned 23 November 2007)
J H Morris (resigned 23 November 2007)
S Alexander (appointed 23 November 2007, resigned 17 December 2008)
R Punja (appointed 23 November 2007, resigned 17 December 2008)
C Roling (appointed 23 November 2007, resigned 22 September 2008)
A Chadd (appointed 22 September 2008)
C Kennedy (appointed 17 December 2008)

Secretary

Mawlaw Secretaries Limited

Auditors

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Registered Office

Crown House
72 Hammersmith Road
London
W14 8UD

Registered No. 1974801

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2008.

Principal activities and review of business

The company did not trade in the current and prior periods.

The company has met the requirements in Companies Act 1985 to obtain the exemption provided from the presentation of an enhanced business review.

On 17 August 2007, EMI Group plc was acquired by Maltby Acquisitions Limited and delisted from trading on the London Stock Exchange plc's main market for listed securities. EMI Group plc also changed its name to EMI Group Limited on 5 October 2007. Maltby Capital Limited became the ultimate parent undertaking.

Proposed dividend

The directors do not recommend the payment of a dividend (2007: £nil).

Directors

The directors who held office during the year were as follows:

J French (resigned 23 November 2007)
J H Morris (resigned 23 November 2007)
S Alexander (appointed 23 November 2007, resigned 17 December 2008)
R Punja (appointed 23 November 2007, resigned 17 December 2008)
C Roling (appointed 23 November 2007, resigned 22 September 2008)

The directors who were appointed since the year end are shown below:

A Chadd (appointed on 22 September 2008)
C Kennedy (appointed on 17 December 2008)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

for and on behalf of
Mawlaw Secretaries Limited

A Chadd
Director

SECRETARY

29 January 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors' report

to the members of Circa Records Limited

KPMG LLP
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

We have audited the company's financial statements for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

Independent auditors' report *(continued)*

to the members of Circa Records Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

KPMG LLP

29 January 2009

Profit and loss account

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

No other gains and losses have been recognised in the current and the preceding financial year, and consequently, no separate statement of Total Recognised Gains and Losses has been presented.

Balance sheet

at 31 March 2008

	Notes	2008 £	2007 £
Current assets			
Debtors	4	1	-
Creditors: amounts falling due within one year	5	-	(10,231,004)
Net current assets/(liabilities) and net assets/(liabilities)		<u>1</u>	<u>(10,231,004)</u>
Capital and reserves			
Called up share capital	6,7	10,231,205	200
Profit and loss account	7	(10,231,204)	(10,231,204)
Shareholders' funds/(deficit)	7	<u>1</u>	<u>(10,231,004)</u>

The notes on pages 6 to 8 form part of these financial statements.

The accounts were approved by the Board of Directors on ²⁹ January 2009 and signed on its behalf by:

A. Chadd

Director

29 January 2009

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these accounts.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that Maltby Capital Limited includes the company in its own published consolidated financial statements.

2. Auditors' remuneration

Amounts receivable by the company's auditors and their associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of Maltby Capital Limited, the company's parent.

3. Directors' remuneration

The directors received no remuneration from the company for the services during the year (2007: £nil).

The company did not have any other employees and as a result incurred no staff costs (2007: £nil).

4. Debtors

	2008 £	2007 £
Amounts owed by group undertakings	1	-

5. Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	-	10,231,004

Notes to the financial statements (continued)

6. Share capital

	2008	2007
<i>Authorised, allotted, called up and fully paid</i>	£	£
10,231,205 (2007: 200) ordinary shares of £1 each	10,231,205	200

On 30th November 2007 the Company increased its authorised share capital by £10,230,205 and issued 10,231,005 ordinary £1 shares for consideration of an inter-company loan from Virgin Records Limited, its parent company. Subsequently, the Company offset its inter-company loan with Virgin Records Limited.

7. Reconciliation of shareholders' funds/(deficit) and movement in reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	2008	2007
	£	£	£	£
New share capital subscribed	10,231,005	-	10,231,005	-
At beginning of year	200	(10,231,204)	(10,231,004)	(10,231,004)
At end of year	10,231,205	(10,231,204)	1	(10,231,004)

8. Related Party Transactions

As the company is a wholly owned subsidiary of Virgin Records Limited (100% of the Company's voting rights are controlled within the group headed by Maltby Capital Limited) the company has taken advantage of the exemption contained in FRS8 and therefore not disclosed transactions or balances with entries which form part of this group.

9. Charge over assets

Circa Records Limited acceded, on 28 January 2008, to a debenture dated 30 August 2007 (amended, supplemented, novated, extended, restated or varied from time to time) and made between, amongst others, Maltby Acquisitions Limited (formerly known as Maltby Limited) and Citibank, NA, London Branch as Security Agent, pursuant to which the company charged, by way of mortgage or fixed charge or assign by way of security (as appropriate) all of their right, title and interest in certain assets, charge all or substantially all of their present and future assets and undertaking by way of first floating charge in favour of the Security Agent to secure the repayment of the Secured Liabilities (as defined thereon) and covenant that they will, on demand, pay and discharge the Secured Liabilities.

Notes to the financial statements *(continued)*

10. Ultimate parent undertaking

The ultimate parent undertaking of the group of undertakings for which group accounts were drawn up for the year ended 31 March 2008 and of which the company was a member was Maltby Capital Limited, registered in England and Wales. Copies of Maltby Capital Limited's accounts can be obtained from Maltby Capital Limited, 27 Wrights Lane, London W8A 5SW, England.