

Delta Music Limited

FINANCIAL STATEMENTS

for the year ended

30 April 2012



Delta Music Limited

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

DIRECTOR

LJ Adams

COMPANY NUMBER

02776053 (England and Wales)

REGISTERED OFFICE

222 Cray Avenue
Orpington
Kent BR5 3PZ

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Delta Music Limited

DIRECTOR'S REPORT

The director submits his report and the financial statements of Delta Music Limited for the year ended 30 April 2012

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company ceased its main trading functions in June 2009, although a few expenses are still being incurred for historical reasons. In 2012 an old trade debt was cancelled at a considerable discount to its face value which has caused a substantial write back to the profit and loss account. There are no plans to resume trading in the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has no active trade but continues to carry certain contractual liabilities for leases. The cost of these are recharged to other group companies but the risk remains that those companies cannot meet the recharged liabilities.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £40,961 (2011 £33,668)

No dividend has been declared or paid in the year (2011 £Nil)

DIRECTOR

The following director held office during the year

LJ Adams


STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The director who was in office on the date of approval of these financial statements has confirmed that, as far as he is aware, there is no relevant audit information of which the auditor is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board


LJ Adams
Director
15/10/2012

Delta Music Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 those financial statements, the director is required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA MUSIC LIMITED

We have audited the financial statements on pages 5 to 12. 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 an auditor's 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

As more fully explained in the Director's Responsibilities Statement, the director is 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 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.

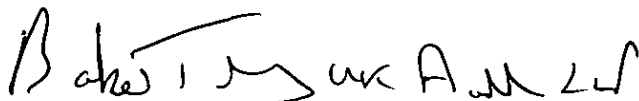
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



ANTONY DAVID PIERRE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

24/01/2012

2012

Delta Music Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2012

	<i>Notes</i>	2012 £	2011 £
TURNOVER	1	316	-
Cost of sales		(1,611)	(2,106)
Gross loss		<u>(1,295)</u>	<u>(2,106)</u>
Other operating expenses (net)	2	47,317	(29,021)
OPERATING PROFIT/(LOSS)		<u>46,022</u>	<u>(31,127)</u>
Investment income	3	-	521
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>46,022</u>	<u>(30,606)</u>
Taxation	6	(5,061)	(3,062)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u><u>40,961</u></u>	<u><u>(33,668)</u></u>

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been prepared as all such gains and losses have been dealt with in the profit and loss account

Delta Music Limited

BALANCE SHEET

As at 30 April 2012

Company Registration No. 02776053

	<i>Notes</i>	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	-	29,519
CURRENT ASSETS			
Debtors	8	424,329	794,450
CREDITORS Amounts falling due within one year	9	(77,258)	(517,859)
NET CURRENT ASSETS		347,071	276,591
NET ASSETS		347,071	306,110
CAPITAL AND RESERVES			
Called up share capital	10	250,000	250,000
Share premium account	11	132,139	132,139
Profit and loss account	12	(35,068)	(76,029)
SHAREHOLDER'S FUNDS	13	347,071	306,110

The financial statements were approved and authorised for issue by the board on 15 October 2012 and are signed on its behalf by

LJ Adams

Director 15/10/2012

Delta Music Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

GOING CONCERN

The company has ceased trading but has sufficient resources to meet the small number of expenses that will continue to arise in the coming year

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost

Depreciation is provided on all tangible fixed assets calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows -

Office equipment, fixtures, fittings, tools and equipment	15% - 25% straight line
---	-------------------------

Delta Music Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity Sales were made in the following geographical markets

	2012 £	2011 £
United Kingdom	316	-
	<u>316</u>	<u>-</u>
2 OTHER OPERATING EXPENSES (NET)	2012 £	2011 £
Administration expenses	(47,317)	29,021
	<u>(47,317)</u>	<u>29,021</u>
3 INVESTMENT INCOME	2012 £	2011 £
Royalties receivable	-	521
	<u>-</u>	<u>521</u>
4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2012 £	2011 £
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and amounts written off tangible fixed assets		
Charge for the year		
owned assets	-	8,645
Exchange gains	(2,502)	-
	<u>(2,502)</u>	<u>-</u>

Auditor's remuneration is paid by Delta Leisure Group Plc, the company's parent

5 EMPLOYEES

All employees are now employed by the company's parent, Delta Leisure Group Plc and recharged by way of a management charge

Delta Music Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

6	TAXATION	2012 £	2011 £
	Current tax		
	UK corporation tax on results of the period	5,061	-
	Adjustments in respect of previous periods	-	2,548
	Total current tax	5,061	2,548
	Deferred tax	-	514
	Tax on profit on ordinary activities	5,061	3,062
		2012 £	2011 £
	Factors affecting tax charge for period		
	The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20% (2011 21%) The differences are explained below		
	Profit/(loss) on ordinary activities before tax	46,022	(30,606)
	Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 21%)	9,205	(6,427)
	Effects of		
	Depreciation in excess of capital allowances	-	1,815
	Group relief transferred not paid for	-	4,612
	Losses brought forward now utilised	(4,144)	-
	Adjustments in respect of previous periods	-	2,548
	Tax charge for period	5,061	2,548

Delta Music Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2012

7	TANGIBLE FIXED ASSETS	Office equipment £	Fixtures, fittings tools and equipment £	Computer equipment £	Total £
	Cost				
	1 May 2011 and 30 April 2012	31,423	20,764	3,266	55,453
	Transferred to Delta Leisure	(31,423)	(20,764)	(3,266)	(55,453)
	30 April 2012	-	-	-	-
	Depreciation				
	1 May 2011	14,139	9,344	2,451	25,934
	Transferred to Delta Leisure	(14,139)	(9,344)	(2,451)	(25,934)
	30 April 2012	-	-	-	-
	Net book value				
	30 April 2012	-	-	-	-
	1 May 2011	17,284	11,420	815	29,519

On 1 May 2011 the assets of Delta Music Limited were transferred, at net book value, to its parent company, Delta Leisure Group PLC

8	DEBTORS	2012 £	2011 £
	Due within one year		
	Trade debtors	-	136,815
	Amounts owed by group undertakings	424,219	632,671
	Other debtors	110	6,126
	Prepayments and accrued income	-	18,838
		424,329	794,450
9	CREDITORS Amounts falling due within one year	2012 £	2011 £
	Bank overdraft	44,178	221,004
	Trade creditors	12,846	246,573
	Accruals and deferred income	15,282	50,282
	Corporation tax	4,952	-
		77,258	517,859

The bank overdraft is secured by a debenture giving fixed and floating charges on all assets of the company, is repayable on demand and incurs interest 3.25% over bank base rate

Delta Music Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

10	SHARE CAPITAL	2012 £	2011 £
	Allotted, issued and fully paid 250,000 ordinary shares of £1 each	250,000	250,000
11	SHARE PREMIUM	2012 £	2011 £
	1 May 2011 and 30 April 2012	132,139	132,139
12	PROFIT AND LOSS ACCOUNT	2012 £	2011 £
	1 May 2011	(76,029)	(42,361)
	Profit/(loss) for the financial period	40,961	(33,668)
	30 April 2012	(35,068)	(76,029)
13	RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS	2012 £	2011 £
	Profit/(loss) for the financial period	40,961	(33,668)
	Net addition/(reduction) to shareholder's funds	40,961	(33,668)
	Opening shareholder's funds	306,110	339,778
	Closing shareholder's funds	347,071	306,110
14	CASH FLOW STATEMENT		
	The director has relied upon the exemptions conferred by Financial Reporting Standard number 1 (FRS 1) from preparing a cash flow statement		
15	CONTINGENT LIABILITIES		
	The company is party to an agreement dated 27 September 2011, together with Delta Home Entertainment Ltd, Delta Music Merchandising Limited, Delta Digital Sales Limited and Delta Leisure Group plc, in respect of bank overdrafts. At 30 April 2012 these companies had a total bank indebtedness of £638,184 (2011 £438,260)		
	The company has submitted a group VAT election and is consequently jointly responsible for paying all VAT due to all members of the group. At 30 April 2012 this amounted to £75,362 (2011 £50,738)		

Delta Music Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

16	DEFERRED TAXATION	2012 £	2011 £
	Balance at 1 May 2011	-	514
	Transfer to profit and loss account	-	(514)
	Balance at 30 April 2012	<u>-</u>	<u>-</u>
	Asset for deferred tax has been made as follows		
	Accelerated capital allowances	-	-
		<u>-</u>	<u>-</u>

17 COMMITMENTS UNDER OPERATING LEASES

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Land and buildings		
Expiring less than one year	155,000	-
Expiring between 1 and 2 years	-	155,000
	<u>155,000</u>	<u>155,000</u>

18 RELATED PARTY TRANSACTION

The company has taken advantage of the exemption in FRS8 that transactions do not need to be disclosed with companies where 100% of voting rights are controlled within the group

19 CONTROLLING PARTY

The ultimate parent company is Delta Leisure Group Plc, a company incorporated in England and Wales, whose consolidated financial statements include the results and year end position of Delta Music Limited

The ultimate controlling party is Mr LJ Adams, a director of the company, as a result of controlling 100% of the issued share capital of the ultimate parent company