

SEPTEMBER SONGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008



SEPTEMBER SONGS LIMITED

FINANCIAL STATEMENTS

for the year ended 30 June 2008

Company registration number:	03087069
Registered office:	One America Square Crosswall London EC3N 2SG
Directors:	D I S Green S Nourmand J J McIntosh
Secretary:	J Bottomley
Bankers:	Coutts & Co 440 Strand London WC2R 0QS
Solicitors:	Harbottle and Lewis 14 Hanover Square London W1S 1HP
Auditors:	BDO Stoy Hayward LLP Fourth Floor One Victoria Street Bristol BS1 6AA

SEPTEMBER SONGS LIMITED

FINANCIAL STATEMENTS

for the year ended 30 June 2008

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September Songs Limited

Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 30 June 2008. The company was acquired by DCD Media plc in August 2007, and as a result the company is now part of DCD Media group.

Principal activities

The company's principal activity during the year was that of producing and publishing musical compositions.

Results and dividends

The trading results for the year and the company's financial position at the end of the period are shown in the attached financial statements.

The directors do not propose to recommend the payment of a dividend.

Directors under review

Directors during the year were:

D I S Green

S Nourmand

EC Day (resigned 6/8/07)

C J Hunt (appointed 6/8/07, resigned 21/11/08)

J J McIntosh (appointed 6/8/07)

Directors' Responsibilities for the Financial Statements

Company law requires the directors of the company to prepare the financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the Annual General Meeting.

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

By order of the Board



Director

24/4/09

Report of the Independent Auditors

To the shareholders of September Songs Limited

We have audited the financial statements of September Songs Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgments 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.

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 30 June 2008 and of its loss 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.

BDO Stoy Hayward LLP

BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

Bristol

24. April. 2009

September Songs Limited

Profit and loss account For the year ended 30 June 2008

	Note	Year ended 30 June 2008 £	Period ended 30 June 2007 £
Turnover	1	12,676	-
Direct costs		<u>(5,977)</u>	<u>(194)</u>
Gross profit		6,699	(194)
Administration expenses		<u>(12,813)</u>	<u>(161)</u>
Operating loss		(6,114)	(355)
Interest receivable and other income		<u>540</u>	<u>186</u>
Loss on ordinary activities before taxation		(5,574)	(169)
Taxation	2	<u>(34)</u>	<u>-</u>
Loss after taxation		<u>(5,608)</u>	<u>(169)</u>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior period are included in the profit and loss account.

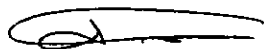
The accompanying accounting policies and notes on pages 6 to 8 form an integral part of these financial statements.

September Songs Limited

Balance Sheet As at 30 June 2008

	Note	2008 £	2007 £
Current Assets			
Debtors	3	-	280
Cash at bank and in hand		<u>15,253</u>	<u>19,857</u>
		15,253	20,137
Creditors: amounts falling due within one year	4	<u>(724)</u>	<u>-</u>
Net current assets/(liabilities)		<u>14,529</u>	<u>20,137</u>
Total assets less liabilities		<u>14,529</u>	<u>20,137</u>
Capital and reserves			
Called up share capital	5	1	1
Profit and loss account		<u>14,528</u>	<u>20,136</u>
Shareholders' funds	6	<u>14,529</u>	<u>20,137</u>

The financial statements were approved by the Board of Directors on



24/4/09

Director

The accompanying accounting policies and notes on pages 6 to 8 form an integral part of these financial statements.

September Songs Limited

Principal Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with the historical cost convention and applicable accounting standards.

Although the company had cash at bank of £15,253 at 30 June 2008, its funding arrangements are linked to those of the wider DCD Media PLC Group.

At the balance sheet date the Company's ultimate parent's consolidated accounts (DCD Media Plc – the 'Group') had cash in hand of £3.1m and convertible loan notes of £11m. The Group's day to day operations are funded out of the existing funds on hand and the cash generated from activities. The convertible loans have been used to help with the funding of the Group's acquisitions made in 2008 and prior periods.

As disclosed more fully in note 29 of the Group accounts, since the balance sheet date the holders and terms of conversion and redemption of these loan notes have been amended such that the Group now has approximately £9.9m of loan notes that are due for redemption on 14 December 2009 and 31 December 2009.

The Group's Board remain positive about the outlook for the Group despite the pressures from the current economic conditions, and in preparing their forecasts and projections have made allowance for reasonably possible changes in its trading performance.

These projections show that the Group will continue to generate cash to meet their obligations as they fall due. However such surplus funds will not be sufficient to redeem the Convertible Loan Notes by December 2009. The Group is exploring potential term borrowing facilities with other funders to provide contingency arrangements and access to additional funds in the event that suitable acquisition targets become available.

Following any refinancing which the Group will enter into during the coming year the Group's Board expects the existing loan note holders to renew or be replaced or convert their remaining loan notes when they fall due for renewal in December 2009 but have not sought any written commitment at this stage. Through the recent successful negotiations and amendments to the holders and terms of those loan notes the Group's Board has not been made aware of any reason to suggest that this will not be the case.

Accordingly the Company's Directors have prepared the accounts on the going concern basis and have made no adjustments that would be necessary were the Group's loan notes not to be either converted or renewed when they fall due for redemption in December 2009.

Turnover

Turnover represents royalty income receivable and monies for library music during the year. All turnover excludes value added tax.

Current Tax

Tax losses are surrendered around the group for no consideration.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

September Songs Limited

Notes to the financial statements for the year ended 30 June 2008

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Cash flow statement

As permitted by Financial Reporting Standard No 1, the company is exempt from the requirement to produce a cash flow statement as it is a wholly-owned subsidiary of DCD Media plc and its cash flows are included in the consolidated financial statements of that company. Copies of the group financial statements are available from the parent company's registered office.

September Songs Limited

Notes to the financial statements for the year ended 30 June 2008

1 Turnover and loss before tax

The turnover and loss before tax are attributable to the principal activity of the company. All turnover arose in the United Kingdom.

Operating loss is stated after:

	Year ended 30 June 2008 £	Period Ended 30 June 2007 £
Auditors' remuneration	-	-

The auditors' remuneration has been accounted for by the parent company.

No amounts were paid to directors in respect of remuneration in both the current and prior year.

2 Taxation on ordinary activities

	Year ended 30 June 2008 £	Period Ended 30 June 2007 £
The tax charge represents:		
Overseas Taxation	34	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.5% (2007: 30%)	(1,644)	(51)
Effects of:		
Overseas taxation	34	
Trading losses carried forward	1,644	51
Current tax charge	34	-

3 Debtors

	2008 £	2007 £
VAT	-	280

4 Creditors: amounts falling due within one year

	2008 £	2007 £
Royalty payable	133	-
VAT	591	-
	<u>724</u>	<u>-</u>

5 Share capital

	2008	2007
Authorised: 100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid: 1 ordinary share of £1 each	£1	£1

September Songs Limited

Notes to the financial statements for the year ended 30 June 2008

6 Reconciliation of movements in shareholders' funds

	Year ended 30 June 2008 £	Period Ended 30 June 2007 £
Loss for the year	(5,608)	(169)
Shareholders' funds at 1 July 2007	<u>20,137</u>	<u>20,306</u>
Shareholders' funds at 30 June 2008	<u>14,529</u>	<u>20,137</u>

7 Transactions with directors and other related parties

There were no transactions with directors or related parties during the period.

As the company is a wholly owned subsidiary of DCD Media plc, it is exempt from the requirements of Financial Reporting Standard No 8 to disclose transactions with other members of the group headed by DCD Media plc.

8 Ultimate parent undertaking

The directors consider the parent undertaking and controlling undertaking of this company is DCD Media plc.

DCD Media plc is both the largest and smallest entity to produce consolidated group financial statements. Copies of the group financial statements can be obtained from that company's registered office.