

**BRIT AWARDS LIMITED**

Company Registration No. 3405116

**Annual Report and Financial Statements**  
**Year ended 31 December 2007**

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# **BRIT AWARDS LIMITED**

## **Annual Report and Financial Statements Year ended 31 December 2007**

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**Officers and professional advisers**

**Directors**

|                  |                         |
|------------------|-------------------------|
| Geoff Taylor     | Chief Executive Officer |
| Maggie Crowe     |                         |
| Ged Doherty      | Chairman                |
| David Joseph     |                         |
| Justin Morris    |                         |
| John Summerhayes |                         |
| Tony Wadsworth   |                         |

**Company Secretary**

Timothy Major

**Registered office**

Riverside Building  
County Hall  
Westminster Bridge Road  
London SE1 7JA

**Bankers**

Coutts & Co  
440 Strand  
London WC2R 0QS

**Solicitors**

Wiggin & Co  
95 The Promenade  
Cheltenham  
Gloucestershire GL50 1WG

**Auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

**Directors' report  
Year ended 31 December 2007**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2007.

**Business review and principal activities**

The principal activity of the company is that of organiser of the BRIT Awards.

The results for the company show a profit for the year of £40,363 (2006 - £14,685) on turnover of £8,232,556 (2006 - £7,473,710).

The directors do not recommend a dividend for the year (2006 - £nil). The accumulated profit and loss reserves at the balance sheet date was £103,289 (2006 - £62,926).

**Business environment**

The UK recorded music market continues to produce and develop exceptionally talented artists and the BRIT Awards celebrate this fact and recognise their achievements and success every twelve months.

**Research and analysis**

We continue to discuss with our business partners and stakeholders to enable additional investment in and development of exciting new aspects for the future of the BRIT Awards.

**Principal risks and uncertainties**

The company's principal activity is organising the BRIT Awards which are a celebration of recorded music. The key risk associated with this is that the shows are reflective of the quality of British recorded music. Fortunately the UK music industry is extremely good at developing talented artists.

**Future outlook**

The quality of British recorded music continues to go from strength to strength and this makes the future outlook of the business very positive.

The board and management team are committed to the future of the business.

**Key performance indicators and charitable donations**

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business, however the BRIT Awards main show achieved 5.3m UK TV viewers (2006 – 4.7m) on its initial broadcast.

The company made a charitable donation during the year, to the BRIT Trust, of £1,685,000 (2006 £1,153,000).

**Directors' report**  
**Year ended 31 December 2007****Directors**

|                    |                         |                              |
|--------------------|-------------------------|------------------------------|
| Geoff Taylor       | Chief Executive Officer | (appointed 12 March 2007)    |
| Maggie Crowe       |                         |                              |
| Ged Doherty        | Chairman                | (appointed 12 March 2007)    |
| Roz Groome         |                         | (resigned 18 July 2007)      |
| Steve Redmond      |                         | (resigned 30 March 2007)     |
| David Joseph       |                         | (appointed 12 March 2007)    |
| Christopher Kangis | Company Secretary       | (resigned 2 January 2008)    |
| Justin Morris      |                         |                              |
| David Steele       |                         | (resigned 20 September 2007) |
| John Summerhayes   |                         | (appointed 12 March 2007)    |
| Tony Wadsworth     |                         | (appointed 12 March 2007)    |
| Peter Jamieson     |                         | (resigned 28 February 2007)  |
| Timothy Major      | Company Secretary       | (appointed 2 Jan 2008)       |

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

The directors are responsible for preparing the Annual 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 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). 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 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

**Directors' report**  
**Year ended 31 December 2007**

The directors confirm that they have complied with these requirements in preparing the financial statements.

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 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.

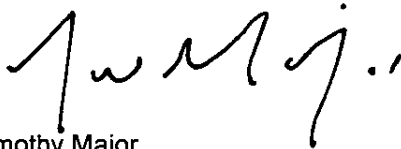
**Statement as to disclosure of information to auditors**

So far as each of the directors is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each director has taken all steps that he ought to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

Approved by the board of directors and signed on behalf of the board.



Timothy Major  
**Company Secretary**  
30 April 2008

**Independent auditors' report to the member of BRIT Awards Limited**

We have audited the financial statements of BRIT Awards Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement, 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 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 directors' report is consistent with the financial statements, if 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.

**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 December 2007 and of its profit and cash flows 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.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

9 May 2008

**Profit and loss account**  
**Year ended 31 December 2007**

|   | Notes | 2007<br>£            | 2006<br>£          |
|---|-------|----------------------|--------------------|
| <b>Turnover</b>   | 1     | <b>8,232,556</b>     | 7,473,710          |
| Administrative expenses   |       | <u>(8,223,709)</u>   | <u>(7,496,091)</u> |
| <b>Operating profit / (loss)</b>                                  | 2     | <b>8,847</b>         | (22,381)           |
| Interest receivable and similar income                            | 5     | <u>42,018</u>        | <u>41,220</u>      |
| <b>Profit on ordinary activities for the year before taxation</b> |       | <b>50,865</b>        | 18,839             |
| Tax on ordinary activities  | 6     | <u>(10,502)</u>      | <u>(4,154)</u>     |
| <b>Profit for the financial year</b>                              | 12    | <u><b>40,363</b></u> | <u>14,685</u>      |

All amounts derive from continuing operations.

There are no recognised gains or losses in the current year other than the result for the year and accordingly no statement of total recognised gains and losses is shown.

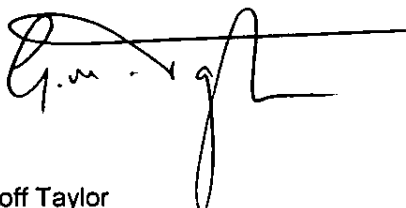
There is no difference between the results shown above and their historical cost equivalents.



**Balance sheet**  
**At 31 December 2007**

|   | Notes | 2007<br>£          | 2006<br>£          |
|---|-------|--------------------|--------------------|
| <b>Current assets</b>                                 |       |                    |                    |
| Work in progress                                      | 7     | 1,126,342          | 2,082,097          |
| Debtors   | 8     | 1,401,644          | 1,642,605          |
| Cash at bank and in hand                              |       | 1,828,638          | 1,630,731          |
|   |       | <u>4,356,624</u>   | <u>5,355,433</u>   |
| <b>Creditors: amounts falling due within one year</b> | 9     | <u>(4,253,333)</u> | <u>(5,292,505)</u> |
| <b>Net assets</b>                                     |       | <u>103,291</u>     | <u>62,928</u>      |
| <b>Capital and reserves</b>                           |       |                    |                    |
| Called up share capital                               | 11    | 2                  | 2                  |
| Profit and loss reserve                               | 12    | <u>103,289</u>     | <u>62,926</u>      |
| <b>Total shareholder's funds</b>                      | 13    | <u>103,291</u>     | <u>62,928</u>      |

The financial statements on pages 6 to 14 were approved by the board of directors on the 30 April 2008 and signed on its behalf



Geoff Taylor  
**Chief Executive Officer**

**Cash flow statement**  
**Year ended 31 December 2007**

|  | Notes | 2007<br>£             | 2006<br>£               |
|--|-------|-----------------------|-------------------------|
| <b>Net cash inflow / (outflow) from operating activities</b> | A     | <b>155,889</b>        | <b>(316,804)</b>        |
| <b>Returns on investments and servicing of finance</b>       |       |                       |                         |
| Tax paid   |       | -                     | (3,849)                 |
| Interest received  |       | <u>42,018</u>         | <u>41,220</u>           |
| <b>Increase / (Decrease) in cash in the year</b>             | B,C   | <u><b>197,907</b></u> | <u><b>(279,433)</b></u> |

**Notes to the cash flow statement**  
**Year ended 31 December 2007**

**A Reconciliation of operating profit / (loss) to net cashflows from operating activities**

|   | 2007           | 2006             |
|---|----------------|------------------|
|   | £              | £                |
| Operating profit / (loss)                                   | 8,847          | (22,381)         |
| Decrease / (increase) in work in progress                   | 955,755        | (886,246)        |
| Decrease / (increase) in debtors                            | 241,661        | (352,263)        |
| (Decrease) / increase in creditors                          | (1,050,374)    | 944,086          |
| <b>Net cash (outflow)/ inflow from operating activities</b> | <b>155,889</b> | <b>(316,804)</b> |

**B Analysis of changes in net funds**

|                                 | At 1<br>January<br>2007 | Cash flow      | At 31<br>December<br>2007 |
|---------------------------------|-------------------------|----------------|---------------------------|
|                                 | £                       | £              | £                         |
| <b>Cash at hand and at bank</b> | <b>1,630,731</b>        | <b>197,907</b> | <b>1,828,638</b>          |

**C Reconciliation of net cash flow analysis of changes in net funds**

|  | 2007             | 2006             |
|--|------------------|------------------|
|  | £                | £                |
| Increase / (decrease) in cash in the year      | 197,907          | (279,433)        |
| Changes in net funds resulting from cash flows | 197,907          | (279,433)        |
| Net funds at start of year                     | 1,630,731        | 1,910,164        |
| <b>Net funds at end of year</b>                | <b>1,828,638</b> | <b>1,630,731</b> |

## Notes to the financial statements

### Year ended 31 December 2007

#### 1. Accounting policies

The financial statements are prepared in accordance with the Companies Act 1985 and applicable Accounting Standards. The principal accounting policies adopted, which have been applied consistently with the prior year, are described below.

##### Accounting convention

The financial statements are prepared under the historical cost convention.

##### Turnover

Turnover represents receipts from the annual BRIT Awards ceremony and related licensing as well as receipts from the Classical BRITS award ceremony and from sales of other licensed products. Amounts invoiced prior to the ceremony are recognised as deferred income. Revenue is released to the profit and loss account at the time the ceremony is held. All turnover originates in the United Kingdom.

##### Work in progress

Work in progress is valued at the lower of cost and net realisable value, and represents costs incurred in respect of award ceremonies occurring after the year end. These costs are recognised in the profit and loss account at the time the ceremony is held.

#### 2. Operating profit / (loss) is stated after charging:

|   | 2007         | 2006         |
|---|--------------|--------------|
|   | £            | £            |
| Auditors' remuneration – fees payable for the audit | 5,750        | 5,750        |
| – tax compliance                                    | <u>2,500</u> | <u>1,930</u> |

#### 3. Staff costs

|   | 2007           | 2006           |
|---|----------------|----------------|
|   | £              | £              |
| Employee costs during the financial year: |                |                |
| Wages and salaries                        | 260,278        | 191,724        |
| Social security costs                     | 30,134         | 34,967         |
| Other pension costs                       | 12,274         | 10,116         |
|   | <u>302,686</u> | <u>236,807</u> |

The company employed 5 members of staff during the year (2006: 4).

**Notes to the financial statements**  
**Year ended 31 December 2007**

**4. Directors' emoluments**

The directors received no remuneration for their services to the company in the current year or in the previous year.

**5. Interest receivable and similar income**

|                          | 2007<br>£     | 2006<br>£     |
|--------------------------|---------------|---------------|
| Bank interest receivable | <u>42,018</u> | <u>41,220</u> |

**6. Taxation**

|  | 2007<br>£     | 2006<br>£    |
|--|---------------|--------------|
| <b>Current tax:</b>                            |               |              |
| UK corporation tax on profits of the year      | 11,202        | 4,273        |
| Adjustment in respect of previous years        | -             | 478          |
| Total current tax                              | <u>11,202</u> | <u>4,751</u> |
| <b>Deferred tax:</b>                           |               |              |
| Origination and reversal of timing differences | (700)         | (597)        |
| Total deferred tax                             | <u>(700)</u>  | <u>(597)</u> |
| Tax on profit on ordinary activities           | <u>10,502</u> | <u>4,154</u> |

The tax assessed for the year is different to that resulting from applying the small companies rate of corporation tax in the UK of 20% (2006: 19%). The differences are explained below:

|  | 2007<br>£     | 2006<br>£     |
|--|---------------|---------------|
| Profit on ordinary activities before tax   | <u>50,865</u> | <u>18,839</u> |
| Tax at 20% (2006 – 19%)                    | 10,173        | 3,579         |
| Expenses not deductible for tax purposes   | 500           | 694           |
| Other short-term timing differences        | 668           | -             |
| Change in tax rate – impact on current tax | (139)         | -             |
| Adjustment in respect of previous years    | -             | 478           |
| <b>Current tax charge for the year</b>     | <u>11,202</u> | <u>4,751</u>  |

**Notes to the financial statements**  
**Year ended 31 December 2007**

**7. Work in progress**

|                  | 2007             | 2006             |
|------------------|------------------|------------------|
|                  | £                | £                |
| Work in progress | <u>1,126,342</u> | <u>2,082,097</u> |

**8. Debtors**

|                                 | 2007             | 2006             |
|---------------------------------|------------------|------------------|
|                                 | £                | £                |
| Trade debtors                   | 1,336,049        | 1,267,070        |
| Amounts due from parent company | 64,296           | 312,375          |
| Other debtors                   | 2                | 8,517            |
| Accrued income                  | -                | 54,046           |
| Deferred tax (see note 10)      | <u>1,297</u>     | <u>597</u>       |
|                                 | <u>1,401,644</u> | <u>1,642,605</u> |

**9. Creditors: amounts falling due within one year**

|                               | 2007             | 2006             |
|-------------------------------|------------------|------------------|
|                               | £                | £                |
| Trade creditors               | 537,839          | 1,091,236        |
| Other tax and social security | 310,052          | -                |
| Corporation tax               | 11,202           | -                |
| Accruals and deferred income  | 3,391,421        | 4,185,586        |
| Other creditors               | <u>2,819</u>     | <u>15,683</u>    |
|                               | <u>4,253,333</u> | <u>5,292,505</u> |

**Notes to the financial statements**  
**Year ended 31 December 2007**

**10. Deferred tax**

| Deferred tax asset relating to short term timing differences | 2007         | 2006       |
|--|--------------|------------|
|  | £            | £          |
| 1 January  | 597          | -          |
| Deferred tax credit in profit and loss account               | 700          | 597        |
| 31 December  | <u>1,297</u> | <u>597</u> |

| Deferred tax asset relating to short term timing differences | 2007         | 2006       |
|--|--------------|------------|
|  | £            | £          |
| 1 January  | 597          | -          |
| Origination and reversal of timing differences               | 635          | -          |
| Change in tax rate – impact on short term timing differences | 65           | 597        |
|  | <u>1,297</u> | <u>597</u> |

**11. Called up share capital**

|   | 2007     | 2006     |
|---|----------|----------|
|   | £        | £        |
| <b>Authorised</b>                         |          |          |
| 100 ordinary shares of £1 each            | 100      | 100      |
| <b>Allotted, called up and fully paid</b> |          |          |
| 2 ordinary shares of £1 each              | <u>2</u> | <u>2</u> |

**12. Profit and loss reserve**

|                                | 2007           | 2006          |
|--------------------------------|----------------|---------------|
|                                | £              | £             |
| Balance brought forward        | 62,926         | 48,241        |
| Profit for the financial year  | 40,363         | 14,685        |
| <b>Balance carried forward</b> | <u>103,289</u> | <u>62,926</u> |

**Notes to the financial statements**  
**Year ended 31 December 2007**

**13. Reconciliation of movement in shareholder's funds**

|                                    | 2007           | 2006          |
|------------------------------------|----------------|---------------|
|                                    | £              | £             |
| Profit for the financial year      | 40,363         | 14,685        |
| Opening shareholder's funds        | 62,928         | 48,243        |
| <b>Closing shareholder's funds</b> | <b>103,291</b> | <b>62,928</b> |

**14. Ultimate parent company**

The parent company and ultimate controlling party is the BPI (British Recorded Music Industry) Limited, a company incorporated in Great Britain and registered in England and Wales.

The parent company has taken advantage of the exemption available to medium sized groups not to prepare group accounts. Copies of the parent company's accounts are available from its registered office, Riverside Building, County Hall, Westminster Bridge Road, London SE1 7JA.

**15. Related parties**

During the year the company donated £1,685,000 (2006 - £1,153,000) to the BRIT Trust, a charity. This donation is charged to administrative expenses.

The company has taken advantage of the exemptions allowed by FRS 8 and has not made disclosure of transactions with its parent company.