

BRIT AWARDS LIMITED

Company Registration No. 3405116

Annual Report and Financial Statements
Year ended 31 December 2008

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BRIT AWARDS LIMITED

Annual Report and Financial Statements Year ended 31 December 2008

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Officers and professional advisers

Directors

Geoff Taylor	Chief Executive Officer
Maggie Crowe	
Gerald Doherty	Chairman
David Joseph	
Tony Wadsworth	
Michael Batt	
Miles Leonard	
Max Lousada	

Company Secretary

Nicholas Glynn

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

Nexia Smith & Williamson LLP
Portwall Place
Portwall Lane
Bristol BS1 6NA

**Directors' report
Year ended 31 December 2008**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2008.

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 £36,011 (2007 - £40,363) on turnover of £7,746,347 (2007 - £8,232,556).

The directors do not recommend a dividend for the year (2007 - £nil). The accumulated profit and loss reserves at the balance sheet date was £139,300 (2007 - £103,289).

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 6.1m UK TV viewers (2007 - 5.3m) on its initial broadcast.

The company made a charitable donation during the year, to the BRIT Trust, of £660,000 (2007 - £1,685,000).

Directors' report (continued)
Year ended 31 December 2008**Directors**

Geoff Taylor	Chief Executive Officer	
Maggie Crowe		
Gerald Doherty	Chairman	
David Joseph		
Tony Wadsworth		
Justin Morris		(resigned 22 October 2008)
John Summerhayes		(resigned 16 June 2008)
Miles Leonard		(appointed 23 October 2008)
Max Lousada		(appointed 23 October 2008)
Michael Batt		(appointed 23 October 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.

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.

Directors' report (continued)
Year ended 31 December 2008

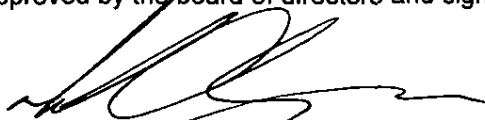
Statement as to disclosure of information to auditors

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

Nexia Smith & Williamson LLP have been acting as auditors since 9th December 2008. A resolution to appoint them will be proposed at the annual general meeting.

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

A handwritten signature in black ink, appearing to be 'Nicholas Glynn', written over a horizontal line.

Nicholas Glynn
Company Secretary
22 April 2009

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 2008 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 2008 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.

Nexia Smith & Williamson LLP

Nexia Smith & Williamson LLP
Chartered Accountants and Registered Auditors
Bristol

22 April 2009

Profit and loss account
Year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover	1	7,746,347	8,232,556
Administrative expenses		<u>(7,754,025)</u>	<u>(8,223,709)</u>
Operating (loss) / profit	2	(7,678)	8,847
Interest receivable and similar income	5	<u>54,468</u>	<u>42,018</u>
Profit on ordinary activities for the year before taxation		46,790	50,865
Tax on ordinary activities	6	<u>(10,779)</u>	<u>(10,502)</u>
Profit for the financial year	12	<u>36,011</u>	<u>40,363</u>

All amounts derive from continuing operations.

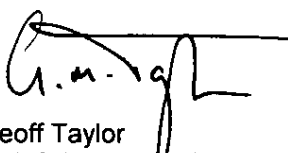
There are no recognised gains or losses in the current year other than the result for the year and accordingly no statement of total recognised gains and losses is shown.

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

Balance sheet
At 31 December 2008

	Notes	2008 £	2007 £
Current assets			
Work in progress	7	800,698	1,126,342
Debtors	8	1,841,304	1,401,644
Cash at bank and in hand		<u>2,135,810</u>	<u>1,828,638</u>
		4,777,812	4,356,624
Creditors: amounts falling due within one year			
	9	<u>(4,638,510)</u>	<u>(4,253,333)</u>
Net assets		<u>139,302</u>	<u>103,291</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss reserve	12	<u>139,300</u>	<u>103,289</u>
Total shareholder's funds	13	<u>139,302</u>	<u>103,291</u>

The financial statements on pages 6 to 15 were approved by the board of directors on the 22 April 2009 and signed on its behalf


 Geoff Taylor
 Chief Executive Officer

Cash flow statement
Year ended 31 December 2008

	Notes	2008 £	2007 £
Net cash Inflow from operating activities	A	265,670	155,889
Returns on investments and servicing of finance			
Tax paid		(12,966)	-
Interest received		<u>54,468</u>	<u>42,018</u>
Increase in cash in the year	B,C	<u>307,172</u>	<u>197,907</u>

Notes to the cash flow statements
Year ended 31 December 2008

A Reconciliation of operating profit / (loss) to net cash flows from operating activities

	2008	2007
	£	£
Operating (loss) / profit	(7,678)	8,847
Decrease in work in progress	325,644	955,755
(Increase) / decrease in debtors	(439,403)	241,661
Increase / (decrease) in creditors	387,107	(1,050,374)
Net cash inflow from operating activities	265,670	155,889

B Analysis of changes in net funds

	At 1 January 2008	Cash flow	At 31 December 2008
	£	£	£
Cash at hand and at bank	1,828,638	307,172	2,135,810

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

	2008	2007
	£	£
Increase in cash in the year	307,172	197,907
Changes in net funds resulting from cash flows	307,172	197,907
Net funds at start of year	1,828,638	1,630,731
Net funds at end of year	2,135,810	1,828,638

Notes to the financial statements
Year ended 31 December 2008**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.

Deferred Tax

Provision is made for deferred taxation using the incremental liability approach and is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed by the balance sheet date subject to the following:

- (i) Deferred tax assets are recognised to the extent that they are regarded as recoverable. Assets are regarded as recoverable when it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.
- (ii) Deferred tax is not recognised on permanent differences.

Pension Schemes

The company makes contractually agreed contributions towards approved defined contribution pension schemes for certain employees. The company's contributions are charged to the profit and loss account on an accruals basis.

The schemes are completely independent from the assets of the company.

Notes to the financial statements
Year ended 31 December 2008

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

	2008	2007
	£	£
Auditors' remuneration – fees payable for the audit	5,750	5,750
– tax compliance	<u>2,500</u>	<u>2,500</u>

3. Staff costs

	2008	2007
	£	£
Employee costs during the financial year:		
Wages and salaries	275,387	260,278
Social security costs	30,766	30,134
Other pension costs	11,513	12,274
	<u>317,666</u>	<u>302,686</u>

The company employed 5 members of staff during the year (2007: 5).

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

	2008	2007
	£	£
Bank interest receivable	<u>54,468</u>	<u>42,018</u>

Notes to the financial statements
Year ended 31 December 2008

6. Taxation

	2008	2007
	£	£
Current tax:		
UK corporation tax on profits of the year	9,272	11,202
Adjustment in respect of previous years	<u>1,764</u>	<u>-</u>
Total current tax	11,036	11,202
Deferred tax:		
Origination and reversal of timing differences	(192)	(700)
Effect of tax rate change on opening balances	<u>(65)</u>	<u>-</u>
Total deferred tax	<u>(257)</u>	<u>(700)</u>
Tax on profit on ordinary activities	<u>10,779</u>	<u>10,502</u>

The tax assessed for the year is different to that resulting from applying the average small companies' rate of corporation tax in the UK in the year of 20.75% (2007: 19.75%). The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before tax	<u>46,790</u>	<u>50,865</u>
Tax at 20.75% (2007 – 19.75%)	9,709	10,046
Expenses not deductible for tax purposes	1,227	493
Depreciation in excess of capital allowances	122	-
Other short-term timing differences	(1,786)	663
Change in tax rate – impact on current tax	-	-
Adjustment in respect of previous years	<u>1,764</u>	<u>-</u>
Current tax charge for the year	<u>11,036</u>	<u>11,202</u>

Factors affecting future tax charges:

The proposed increase from 21% to 22% in small companies corporation tax rate planned from 1 April 2009 has been deferred to 1 April 2010.

7. Work in progress

	2008	2007
	£	£
Work in progress	<u>800,698</u>	<u>1,126,342</u>

Notes to the financial statements
Year ended 31 December 2008

8. Debtors

	2008	2007
	£	£
Trade debtors	1,719,362	1,336,049
Amounts due from parent company	-	64,296
Other debtors	-	2
VAT repayable	74,224	-
Accrued income	46,164	-
Deferred tax (see note 10)	1,554	1,297
	<u>1,841,304</u>	<u>1,401,644</u>

9. Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	116,764	537,839
Amounts due to parent company	765,980	-
Other tax and social security	-	310,052
Corporation tax	9,272	11,202
Accruals and deferred income	3,664,317	3,391,421
Other creditors	82,177	2,819
	<u>4,638,510</u>	<u>4,253,333</u>

10. Deferred tax

Deferred tax asset relating to short term timing differences	2008	2007
	£	£
1 January	1,297	597
Deferred tax credit in profit and loss account	<u>257</u>	<u>700</u>
31 December	<u>1,554</u>	<u>1,297</u>

Notes to the financial statements
Year ended 31 December 2008

10. Deferred tax (continued)

The deferred tax asset recognised in the financial statements consists of:

	2008	2007
	£	£
Accelerated capital allowances	124	-
Other short term timing differences	1,430	1,297
	<u>1,554</u>	<u>1,297</u>

11. Called up share capital

	2008	2007
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

12. Profit and loss reserve

	2008	2007
	£	£
Balance brought forward	103,289	62,926
Profit for the financial year	36,011	40,363
Balance carried forward	<u>139,300</u>	<u>103,289</u>

13. Reconciliation of movement in shareholder's funds

	2008	2007
	£	£
Profit for the financial year	36,011	40,363
Opening shareholder's funds	103,291	62,928
Closing shareholder's funds	<u>139,302</u>	<u>103,291</u>

**Notes to the financial statements
Year ended 31 December 2008****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 BRIT Awards Limited paid £1,163,000 (2007 - £481,675) to BPI (British Recorded Music Industry) Limited in relation to various company recharges, of which £nil remained unpaid at the year end.

The year end creditor balance of £765,980 (2007 - £nil) relates to £539,256 of VAT paid by BPI (British Recorded Music Industry) Limited on behalf of BRIT Awards Limited and other sundry costs including salaries and pension contributions.

In 2007, there was a debtor balance of £64,296 in relation to BRIT Awards Limited. This balance was £nil in 2008.

During the year the company donated £660,000 (2007 - £1,685,000) to the BRIT Trust, a charity. This donation is charged to administrative expenses.