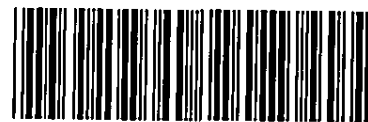


THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

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THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

COMPANY INFORMATION

Directors

R Coultart
H Cowell
M Bloom
R Bryant
D D'Arcy
M Goldschmidt
N Hartley
S Jaffery
J Lascelles
H Martin
A Macdonald
T McNamee
I McNay
M Mills
P Quicke
H Semmence
F Sharkey
G Travis
A Wenham

Secretary

M Fuller

Registered Office

141 Wardour Street
London
W1F 0UT

Bankers

Coutts & Co
Media Banking Office
440 Strand
London
WC2R 0QS

Auditors

Shipleys LLP
10 Orange Street
Haymarket
London
WC2H 7DQ

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2007

PRINCIPAL ACTIVITIES

The principal activity of the company throughout the year was that of operating as a trade body for the independent music sector

DIRECTORS

The following directors have held office since 1 January 2007 -

R Coultart	A Macdonald (appointed 28 June 2007)
H Cowell (appointed 28 June 2007)	K McKay (resigned 28 June 2007)
M Bloom	T McNamee (appointed 28 June 2007)
R Brown (resigned 28 June 2007)	I McNay
R Bryant	M Mills
D D'Arcy	P Quicke
M Goldschmidt	M Richardson (resigned 28 June 2007)
N Hartley	H Semmence
S Jaffery (appointed 28 June 2007)	F Sharkey
J Lascelles	D Steele (resigned 28 June 2007)
H Martin	G Travis
	A Wenham

DIRECTORS' INTERESTS

The company has no share capital and is limited by guarantee

AUDITORS

Kingston Smith resigned as auditors to the company during the current period and the board passed a resolution to appoint Shipleys LLP in their stead. It is proposed that Shipleys LLP are re-appointed auditors to the company for the ensuing year

RESULTS FOR THE YEAR

The results for the year are shown on page five

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT – continued

DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping proper accounting records which 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 of disclosure to auditor

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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



A Wenham
Director

20th May 2008

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS' OF THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED

We have audited the financial statements of The Association of Independent Music Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 the directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended and 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.

Shipleys LLP
Chartered Accountants and
Registered Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

20/5/08

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
TURNOVER		888,466	883,413
Direct costs		<u>(425,621)</u>	<u>(322,719)</u>
GROSS PROFIT		462,845	560,694
Administrative expenses		<u>(494,186)</u>	<u>(560,364)</u>
Operating (loss)/profit	2	(31,341)	330
Other interest receivable and similar income	3	2,642	244
Interest payable and similar charges		<u>(12,819)</u>	<u>(2,623)</u>
Loss on ordinary activities		(41,518)	(2,049)
Tax on loss on ordinary activities	4	-	-
Loss for the year	10	<u>£(41,518)</u>	<u>£(2,049)</u>

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	£	2007 £	£	2006 £	£
Fixed assets						
Tangible assets	5		1,689			6,153
Investments	6		<u>2</u>			<u>4,002</u>
			1,691			10,155
Current assets						
Debtors	7	238,881		404,532		
Cash at bank and in hand		<u>81,591</u>		<u>156,750</u>		
		320,472		561,282		
Creditors : Amounts falling due within one year	8	<u>(328,801)</u>		<u>(536,557)</u>		
Net current (liabilities)/assets			<u>(8,329)</u>			<u>24,725</u>
Total assets less current liabilities			(6,638)			34,880
Creditors : Amounts falling due after more than one year	9		<u>-</u>			<u>-</u>
			<u>£(6,638)</u>			<u>£34,880</u>
Represented by						
Accumulated fund			<u>£(6,638)</u>			<u>£34,880</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved by the Board for issue on 20th May 2008



A Wenham
Director

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting for Smaller Entities (effective January 2007)

In previous periods, income and expenditure relating to trade fairs were netted off against each other, such that the net position was reflected. These are now shown separately. This does not represent a change in accounting policy but rather accounting treatment.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	5 years on a straight line basis
Office equipment	3 years on a straight line basis

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

1.7 Group accounts

The company has taken advantage of Section 248 of the Companies Act not to prepare consolidated group accounts on the grounds it is a small group. Accordingly, these financial statements present information about the company alone and not the group that it heads.

1.8 Going Concern

The accounts have been prepared on a going concern basis due to the agreed continued support of one of the company's major creditors.

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2007

2. Operating profit/(loss)

	2007	2006
	£	£
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	4,575	4,941
Auditors' remuneration	6,000	6,500
Directors' remuneration	154,027	130,168
Directors' pension contribution	-	10,649
Directors' pension contributions for prior years	-	70,000
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes was one (2006 one)

3. Investment income

	2007	2006
	£	£
Bank interest	<u>2,642</u>	<u>244</u>
	<u>£2,642</u>	<u>£244</u>

4. Taxation

No provision has been made for tax in the period due to the loss for the year

5. Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 January 2007	40,460
Additions	<u>110</u>
At 31 December 2007	<u>40,570</u>
Depreciation	
At 1 January 2007	34,306
Charge for the year	<u>4,575</u>
At 31 December 2007	<u>38,881</u>
Net book value	
At 31 December 2007	<u>£1,689</u>
At 31 December 2006	<u>£6,153</u>

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2007

6. Fixed assets investments

	Listed investments £	Shares in group undertakings £	Total £
Cost			
At 1 January 2007	4,000	2	4,002
Disposal	<u>(4,000)</u>	<u>-</u>	<u>(4,000)</u>
At 31 December 2007	<u>-</u>	<u>2</u>	<u>2</u>
Net book value			
At 31 December 2007	<u>£ -</u>	<u>£2</u>	<u>£2</u>
At 31 December 2006	<u>£4,000</u>	<u>£2</u>	<u>£4,002</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Musicindie Limited	England and Wales	Ordinary	100.00

The capital and reserves of £(136,409) for the subsidiary are based on the year ended 31 December 2006, since the current year's figures are not yet available

7. Debtors

	2007 £	2006 £
Trade debtors	110,354	177,678
Other debtors	28,103	134,835
Prepayments	<u>100,424</u>	<u>92,019</u>
	<u>£238,881</u>	<u>£404,532</u>

8. Creditors : Amounts falling due within one year

	2007 £	2006 £
Trade creditors	83,794	109,286
Taxation and social security	19,953	70,261
Other creditors	110,269	106,932
Accruals and deferred income	<u>114,785</u>	<u>250,078</u>
	<u>£328,801</u>	<u>£536,557</u>

THE ASSOCIATION OF INDEPENDENT MUSIC LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2007

9. Creditors : Amounts falling due after more than one year

	2007 £	2006 £
Other creditors	-	-
	<u> </u>	<u> </u>
Analysis of loans		
Wholly repayable within five years	-	-
	<u> </u>	<u> </u>

10. Statement of movements in accumulated funds

	Accumulated fund
Balance at 1 January 2007	34,880
Loss for the year	<u>(41,518)</u>
	£(6,638)
Balance at 31 December 2007	<u> </u>

11. Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007

	2007 £	2006 £
Operating leases which expire		
Between two and five years	<u>£28,215</u>	<u>£28,125</u>

12. Related party transactions

No expenses were incurred by The Association of Independent Music Limited (AIM) on behalf of Musicindie Limited in the period (2006 £nil) At the year end AIM owed £nil (2006 £nil) by Musicindie Limited