

Firebrand Live Limited
Report and financial statements
31 December 2010



MGR Audit Limited
*Chartered Accountants
and Statutory Auditors*
55 Loudoun Road
St John's Wood
London NW8 0DL

Company Registration No 04220076
(England and Wales)

Firebrand Live Limited
Report and financial statements
For the year ended 31 December 2010

Company information

Directors	D Oakes
	D Bell
	H Davies
	J Smith
Secretary	D Oakes
Company number	04220076
Registered office	41 Mitchell Street
	London
	EC1V 3QD
Auditors	MGR Audit Limited
	55 Loudoun Road
	St John's Wood
	London
	NW8 0DL

Firebrand Live Limited
Report and financial statements
For the year ended 31 December 2010

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Firebrand Live Limited
Directors' report
For the year ended 31 December 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

The principal activity of the company continued to be that of the production and management of merchandising and associated activities

The company made a pre-tax loss of £397,488 (2009 profit of £255,306) for the year

The turnover of the company is generated from the design, manufacture and sale of merchandise and support services in the entertainment industry. The directors recognise that there are substantial changes taking place within the sector and are continually exploring ways of exploiting these trends for the benefit of the company

Principal risks

The principal risks and uncertainties facing the company are primarily those inherent in the live music sector. As well as underlying economic factors its income is dependent on the number of acts touring in any given year as well as on managers and major promoters choosing the company as their service provider

Key Performance Indicators

In the opinion of the directors there are no Key Performance Indicators whose disclosure is necessary for the understanding of the development, performance or position of the business

Results and dividends

The results for the year are set out on page 5

No dividends will be distributed in respect of the year ended 31 December 2010

Post balance sheet events

There have been no post balance sheet events that affect either the figures or the understanding of these accounts

Future developments

The principal activity of the company is not anticipated to change. Generally the directors expect the touring sector to remain buoyant. The company's focus in 2011 is to continue to grow the business, particularly in the retail and promoter services (festival concessions) sectors, and build upon the company's position as Europe's leading independent merchandising and licensing business

Directors

The following directors have held office since 1 January 2010

D Oakes
D Bell
H Davies
J Smith

Auditors

The auditors, MGR Audit Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Firebrand Live Limited
Directors' report
For the year ended 31 December 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. 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 auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D Oakes
Director
28 September 2011

Firebrand Live Limited
Independent auditors' report
To the members of Firebrand Live Limited
For the year ended 31 December 2010

We have audited the financial statements of Firebrand Live Limited for the year ended 31 December 2010 set out on pages 5 to 17. 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 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Firebrand Live Limited
Independent auditors' report
To the members of Firebrand Live Limited
For the year ended 31 December 2010

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mr Nigel Walfisz FCA (Senior Statutory Auditor)
for and on behalf of MGR Audit Limited
Chartered Accountants
Statutory Auditor

55 Loudoun Road
St John's Wood
London
NW8 0DL

28 September 2011

Firebrand Live Limited
Profit and loss account
For the year ended 31 December 2010

		2010	2009
	Notes	£	£
Turnover		11,925,404	18,073,333
Cost of sales		(10,620,706)	(16,344,242)
Gross profit		1,304,698	1,729,091
Administrative expenses		(1,637,140)	(1,456,749)
Operating (loss)/profit	2	(332,442)	272,342
Other interest receivable and similar income	3	14,177	3,544
Amounts written off investments	4	(67,500)	-
Interest payable and similar charges	5	(11,723)	(20,580)
(Loss)/profit on ordinary activities before taxation		(397,488)	255,306
Tax on (loss)/profit on ordinary activities	6	38,707	(38,707)
(Loss)/profit for the year	13	(358,781)	216,599

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

Firebrand Live Limited
Balance sheet
As at 31 December 2010

		2010		2009	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7	169,047		89,527	
Investments	8	67,500		-	
		<u>236,547</u>		<u>89,527</u>	
Current assets					
Stocks	9	227,163	164,527		
Debtors	10	2,117,574	3,659,576		
Cash at bank and in hand		335,828	553,148		
		<u>2,680,565</u>	<u>4,377,251</u>		
Creditors amounts falling due within one year	11	<u>(2,636,600)</u>	<u>(3,827,485)</u>		
Net current assets		<u>43,965</u>		<u>549,766</u>	
Total assets less current liabilities		<u><u>280,512</u></u>		<u><u>639,293</u></u>	
Capital and reserves					
Called up share capital	12	129		129	
Share premium account	13	122,198		122,198	
Profit and loss account	13	158,185		516,966	
Shareholders' funds	14	<u><u>280,512</u></u>		<u><u>639,293</u></u>	

Approved by the Board and authorised for issue on 28 September 2011



D Oakes
Director

Company Registration No 04220076

Firebrand Live Limited**Cash flow statement****For the year ended 31 December 2010**

	2010	2009
	£	£
Net cash (outflow)/inflow from operating activities	(735,007)	977,511
Returns on investments and servicing of finance		
Interest received	14,177	3,544
Interest paid	(11,723)	(20,580)
Net cash inflow/(outflow) for returns on investments and servicing of finance	2,454	(17,036)
Taxation	(2)	119,290
Capital expenditure and financial investment		
Payments to acquire tangible assets	(131,519)	(69,983)
Payments to acquire investments	(135,000)	-
Net cash outflow for capital expenditure	(266,519)	(69,983)
Net cash (outflow)/inflow before management of liquid resources and financing	(999,074)	1,009,782
Financing		
Other new short term loans	250,000	-
Repayment of other short term loans	-	(587,500)
Net cash inflow/(outflow) from financing	250,000	(587,500)
(Decrease)/increase in cash in the year	(749,074)	422,282

Firebrand Live Limited

Notes to the cash flow statement

For the year ended 31 December 2010

1 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2010	2009
	£	£
Operating (loss)/profit	(332,442)	272,342
Depreciation of tangible assets	51,999	24,378
(Increase)/decrease in stocks	(62,636)	20,000
Decrease in debtors	1,542,002	9,723
(Decrease)/Increase in creditors within one year	(1,886,661)	624,478
Net effect of foreign exchange differences	(47,269)	26,590
Net cash (outflow)/inflow from operating activities	(735,007)	977,511

2 Analysis of net (debt)/funds	1 January 2010	Cash flow	Other non-cash changes	31 December 2010
	£	£	£	£
Net cash				
Cash at bank and in hand	553,148	(264,589)	47,269	335,828
Bank overdrafts	(41,051)	(484,485)	-	(525,536)
	<u>512,097</u>	<u>(749,074)</u>	<u>47,269</u>	<u>(189,708)</u>
Bank deposits	-	-	-	-
Debt				
Debts falling due within one year	-	(250,000)	-	(250,000)
Net funds/(debt)	<u>512,097</u>	<u>(999,074)</u>	<u>47,269</u>	<u>(439,708)</u>

3 Reconciliation of net cash flow to movement in net (debt)/funds	2010	2009
	£	£
(Decrease)/increase in cash in the year	(749,074)	422,282
Cash (inflow)/outflow from (increase)/decrease in debt	(250,000)	587,500
Net effect of foreign exchange differences	47,269	(26,590)
Movement in net (debt)/funds in the year	(951,805)	983,192
Opening net funds/(debt)	512,097	(471,095)
Closing net (debt)/funds	(439,708)	512,097

Firebrand Live Limited

Notes to the financial statements

For the year ended 31 December 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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 net of VAT

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

Land and buildings Leasehold	10% straight line depreciation
Plant and machinery	33% straight line depreciation
Computer equipment	25% straight line depreciation
Fixtures, fittings & equipment	25% straight line depreciation

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

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

1.7 Stock

Stock is valued at the lower of cost and net realisable value

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.9 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 profit and loss account

Firebrand Live Limited

Notes to the financial statements

For the year ended 31 December 2010

2	Operating (loss)/profit	2010	2009
		£	£
	Operating (loss)/profit is stated after charging		
	Depreciation of tangible assets	51,999	24,378
	Loss on foreign exchange transactions	-	27,879
	Operating lease rentals	37,721	37,721
	Auditors' remuneration (including expenses and benefits in kind)	13,476	19,948
	and after crediting		
	Profit on foreign exchange transactions	(47,269)	-
		<u></u>	<u></u>
3	Investment income	2010	2009
		£	£
	Bank interest	14,177	3,544
		<u></u>	<u></u>
		14,177	3,544
		<u></u>	<u></u>
4	Amounts written off investments	2010	2009
		£	£
	Amounts written off fixed asset investments		
	- permanent diminution in value	67,500	-
		<u></u>	<u></u>
5	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	12,123	20,180
	Other interest	(400)	400
		<u></u>	<u></u>

Firebrand Live Limited
Notes to the financial statements
For the year ended 31 December 2010

6 Taxation	2010	2009
	£	£
U K corporation tax	(37,521)	38,707
Adjustment for prior years	(1,186)	-
Total current tax	(38,707)	38,707
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(397,488)	255,306
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 26% (2009 - 24 26%)	(96,431)	61,937
Effects of		
Non deductible expenses	25,791	2,057
Depreciation add back	12,615	5,914
Capital allowances	(24,820)	(12,942)
Adjustments to previous periods	(1,186)	-
Other tax adjustments	45,324	(18,259)
	57,724	(23,230)
Current tax charge for the year	(38,707)	38,707

The company has estimated losses of £ 190,602 (2009 - £ nil) available for carry forward against future trading profits

Firebrand Live Limited
Notes to the financial statements
For the year ended 31 December 2010

7 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2010	13,594	140,410	12,780	166,784
Additions	-	128,960	2,560	131,520
At 31 December 2010	13,594	269,370	15,340	298,304
Depreciation				
At 1 January 2010	5,437	63,357	8,464	77,258
Charge for the year	1,359	48,378	2,262	51,999
At 31 December 2010	6,796	111,735	10,726	129,257
Net book value				
At 31 December 2010	6,798	157,635	4,614	169,047
At 31 December 2009	8,158	77,053	4,316	89,527

Firebrand Live Limited
Notes to the financial statements
For the year ended 31 December 2010

8 Fixed asset investments

	Shares in participating interests £
Cost	
At 1 January 2010	-
Additions	135,000
	<u>135,000</u>
At 31 December 2010	<u>135,000</u>
Provisions for diminution in value	
At 1 January 2010	-
Charge for the year	67,500
	<u>67,500</u>
At 31 December 2010	<u>67,500</u>
Net book value	
At 31 December 2010	<u><u>67,500</u></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 %
Participating interests			
The Incredible Cup Company Limited	England and Wales	Ordinary	45.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and Profit/(loss) for reserves 2010 £	the year 2010 £
	Principal activity		
The Incredible Cup Company Limited	Merchandise sales	<u>60,109</u>	<u>(92,398)</u>

9 Stocks

	2010 £	2009 £
Finished goods and goods for resale	<u>227,163</u>	<u>164,527</u>

Firebrand Live Limited

Notes to the financial statements

For the year ended 31 December 2010

10 Debtors	2010 £	2009 £
Trade debtors	1,148,376	1,491,855
ACT recoverable	57	57
Other debtors	247,336	1,602,411
Prepayments and accrued income	721,805	565,253
	<u>2,117,574</u>	<u>3,659,576</u>

11 Creditors amounts falling due within one year	2010 £	2009 £
Bank loans and overdrafts	775,536	41,051
Trade creditors	853,416	1,925,814
Corporation tax	-	38,709
Other taxes and social security costs	31,093	18,876
Other creditors	936,825	1,742,930
Accruals and deferred income	39,730	60,105
	<u>2,636,600</u>	<u>3,827,485</u>

Bank facilities have been secured by way of a fixed and floating charge over the assets of the company

12 Share capital	2010 £	2009 £
Authorised		
100,000 Ordinary of 0 1p each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
128,571 Ordinary of 0 1p each	<u>129</u>	<u>129</u>

Firebrand Live Limited
Notes to the financial statements
For the year ended 31 December 2010

13 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2010	122,198	516,966
Loss for the year	-	(358,781)
Balance at 31 December 2010	<u>122,198</u>	<u>158,185</u>

14 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
(Loss)/Profit for the financial year	(358,781)	216,599
Opening shareholders' funds	639,293	422,694
Closing shareholders' funds	<u>280,512</u>	<u>639,293</u>

15 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire		
Within one year	<u>46,800</u>	<u>46,800</u>

16 Capital commitments

	2010	2009
	£	£
At 31 December 2010 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	<u>-</u>	<u>25,590</u>

Firebrand Live Limited
Notes to the financial statements
For the year ended 31 December 2010

17 Directors' remuneration

	2010	2009
	£	£

Remuneration for qualifying services	<u>306,034</u>	<u>272,610</u>
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Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	<u>70,000</u>	<u>71,610</u>
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18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010	2009
	Number	Number
Directors	3	3
Production	16	11
Administration	3	4
	<u>22</u>	<u>18</u>

Employment costs

	2010	2009
	£	£

Wages and salaries	967,186	844,571
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Social security costs	<u>101,090</u>	<u>72,912</u>
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	<u>1,068,276</u>	<u>917,483</u>
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19 Control

The company is ultimately owned and controlled by two of the directors, D Oakes and D Bell, by virtue of their majority shareholding

Firebrand Live Limited
Notes to the financial statements
For the year ended 31 December 2010

20 Related party transactions

The balances owed to/due from related parties at the balance sheet date were as follows

Due from.	Relationship	2010 £	2009 £
Brandwidth Licensing Ltd	Common control	-	4,518
Seminal Merchandising Ltd	Common control	33,241	76,415
The Incredible Cup Company Ltd	Associated company	14,884	137,556
		<u> </u>	<u> </u>
Due to	Relationship	£	£
Brand Inc Ltd	Common control	1,615	1,096
		<u> </u>	<u> </u>

Transactions with related parties during the year were as follows

Sales to	Relationship	2010 £	2009 £
The Incredible Cup Company Ltd	Common control	6,620	5,589
Brand Inc Ltd	Common control	31,077	18,142
Brandwidth Licensing Ltd	Common control	-	1,503
Seminal Merchandising Ltd	Common control	876	2,977
Trinity Street Direct Ltd	Common control	-	343,496
		<u> </u>	<u> </u>
Purchases from	Relationship	£	£
Brand Inc Ltd	Common control	165,744	196,534
Seminal Merchandising Ltd	Common control	63,576	66,085
The Incredible Cup Company Ltd	Common control	4,926	-
Trinity Street Direct Ltd	Common control	-	70,173
		<u> </u>	<u> </u>

During the year, the company subscribed for 135,000 ordinary £1 shares in The Incredible Cup Company Limited for £135,000

The banking facilities of the company have been secured against personal guarantees provided by two of the directors Mr D Oakes and Mr D Bell up to £800,000