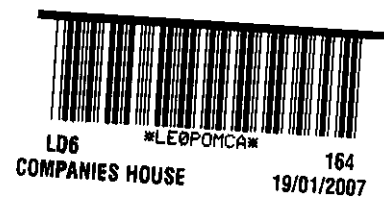


Registered number  
4327028

Ark Recording Studios Limited

Report and Unaudited Accounts

30 April 2006



**Ark Recording Studios Limited**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Company information	1
Director's report	2
Chartered Accountants' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6-7
Additional information	8

**Ark Recording Studios Limited**  
**Company Information**

**Director**

R Armstrong

**Secretary**

M Harris

**Accountants**

Prager and Fenton LLP  
8th Floor, Imperial House,  
15-19 Kingsway,  
London,  
WC2B 6UN.

**Bankers**

Barclays Bank Plc,  
Soho Square Business Centre,  
PO Box 4WA,  
27 Soho Square,  
London,  
W1D 3QR.

**Solicitors**

Clintons,  
55 Drury Lane,  
London,  
WC2B 5RZ.

**Registered office**

176 Barnsbury Road,  
London,  
N1 0ER.

**Registered number**

4327028

**Ark Recording Studios Limited**  
**Director's Report**

The director presents his report and accounts for the year ended 30 April 2006.

**Principal activities**

The company's principal activity during the year continued to be the provision of studio facilities for music recording and other related services in the entertainment industry.

**Director**

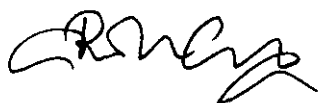
The director who served during the year and his interest in the share capital of the company were as follows:

	<i>£1 Ordinary shares</i>	
	30 Apr 2006	30 Apr 2005
R Armstrong	1	1

**Small company special provisions**

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

This report was approved by the board on 17 January 2007.



R Armstrong  
Director

**Chartered Accountants' Report to the Board of Directors  
on the unaudited accounts of Ark Recording Studios Limited**

In accordance with the engagement letter dated 7 November 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the accounts of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of accounts.

You have acknowledged on the balance sheet for the year ended 30 April 2006 your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.

*Prager and Fenton LHT*

Prager and Fenton LLP  
Chartered Accountants  
8th Floor, Imperial House,  
15-19 Kingsway,  
London,  
WC2B 6UN.

17 January 2007

**Ark Recording Studios Limited**  
**Profit and Loss Account**  
**for the year ended 30 April 2006**

	Notes	2006 £	2005 £
Turnover	1	189,011	196,557
Cost of sales		(32,780)	(58,444)
<b>Gross profit</b>		<u>156,231</u>	<u>138,113</u>
Administrative expenses		(145,341)	(167,868)
<b>Operating profit/(loss)</b>	2	<u>10,890</u>	<u>(29,755)</u>
Interest payable	3	(96)	(3)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>10,794</u>	<u>(29,758)</u>
Tax on profit on ordinary activities	4	<u>(16)</u>	<u>0</u>
<b>Profit/(loss) for the financial year</b>		<u><u>10,778</u></u>	<u><u>(29,758)</u></u>

**Ark Recording Studios Limited**  
**Balance Sheet**  
**as at 30 April 2006**

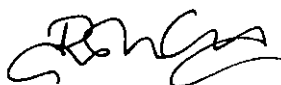
	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Tangible assets	5	66,417	86,651
<b>Current assets</b>			
Debtors	6	32,167	75,298
Cash at bank and in hand		24,494	29,611
		<u>56,661</u>	<u>104,909</u>
<b>Creditors: amounts falling due within one year</b>	7	(130,623)	(209,883)
<b>Net current liabilities</b>		<u>(73,962)</u>	<u>(104,974)</u>
<b>Net liabilities</b>		<u>(7,545)</u>	<u>(18,323)</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	(7,546)	(18,324)
<b>Shareholder's funds</b>		<u>(7,545)</u>	<u>(18,323)</u>

The director is satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.



R Armstrong  
 Director

Approved by the board on 17 January 2007

**Ark Recording Studios Limited**  
**Notes to the Accounts**  
**for the year ended 30 April 2006**

**1 Accounting policies**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

**Turnover**

Turnover represents studio revenue which is recognised when the studio is hired and recharges of expenditure incurred and both are exclusive of value added tax.

**Depreciation**

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Leasehold improvements	15% straight line
Office Equipment	25% straight line
Musical Equipment	25% straight line

<b>2 Operating profit</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	35,866	39,719
<b>3 Interest payable</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Interest payable	96	3
<b>4 Taxation</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
UK corporation tax	16	-

**5 Tangible fixed assets**

	<b>Short Leasehold £</b>	<b>Office Equipment £</b>	<b>Musical Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 May 2005	135,079	15,636	62,193	212,908
Additions	5,175	408	10,049	15,632
At 30 April 2006	140,254	16,044	72,242	228,540
<b>Depreciation</b>				
At 1 May 2005	65,875	8,879	51,503	126,257
Charge for the year	21,038	3,095	11,733	35,866
At 30 April 2006	86,913	11,974	63,236	162,123
<b>Net book value</b>				
At 30 April 2006	53,341	4,070	9,006	66,417
At 30 April 2005	69,204	6,757	10,690	86,651



**Ark Recording Studios Limited**  
**Notes to the Accounts**  
**for the year ended 30 April 2006**

<b>6 Debtors</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,124	27,353
Prepayments and accrued income	24,783	44,945
Other debtors	3,260	3,000
	<u>32,167</u>	<u>75,298</u>

<b>7 Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade creditors	13,590	4,434
Accruals and deferred income	5,629	19,536
Amounts owed to related party (see note 9)	104,749	181,132
Corporation tax	16	-
Other taxes and social security costs	6,037	4,731
Other creditors	602	50
	<u>130,623</u>	<u>209,883</u>

<b>8 Share capital</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Authorised:		
Ordinary shares of £1 each	100	100

	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1	1	1	1

<b>9 Profit and loss account</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1 May	(18,324)	11,434
Profit/(loss) for the year	10,778	(29,758)
	<u>(7,546)</u>	<u>(18,324)</u>

**10 Related parties**

**R Armstrong**  
**Director's CA**  
**£**

Amounts owed to related parties as at 1 May 2005 181,132

Monies advanced to related party and expenses incurred by  
Ark Recording Studios Limited on behalf of related party (76,383)

Amounts owed to related parties as at 30 April 2006 104,749

During the year, R Armstrong who is the sole shareholder and director rented the studio at a cost of £39,600.

**Ark Recording Studios Limited**  
**Schedule to the Profit and Loss Account**  
**for the year ended 30 April 2006**  
*for the information of the director only*

	2006 £	2005 £
<b>Sales</b>		
Studio income	144,680	150,950
Recharge income	44,331	12,207
Sundry income	-	33,400
	<u>189,011</u>	<u>196,557</u>
<b>Cost of sales</b>		
Studio cost	855	1,751
Engineer's costs	30,002	54,247
Equipment consumables	1,923	2,446
	<u>32,780</u>	<u>58,444</u>
<b>Administrative expenses</b>		
Employee costs:		
Wages and salaries	25,167	23,000
Employer's NI	2,092	2,336
Travel and subsistence	10,706	12,475
Entertaining	-	598
	<u>37,965</u>	<u>38,409</u>
Premises costs:		
Rent & rates	39,937	39,772
Light and heat	5,687	12,137
Cleaning	4,745	4,618
	<u>50,369</u>	<u>56,527</u>
General administrative expenses:		
Telephone and fax	5,043	4,332
Postage, stationery and printing	1,238	1,102
Subscriptions	100	195
Bank charges	515	349
Insurance	1,476	1,444
Donation	-	500
Gifts	121	-
Repairs and renewals	6,138	16,820
Depreciation	35,866	39,719
Sundry expenses	405	750
	<u>50,902</u>	<u>65,211</u>
Legal and professional costs:		
Accountancy fees	6,105	7,721
	<u>6,105</u>	<u>7,721</u>
	<u>145,341</u>	<u>167,868</u>