

Accelerate Sport and Music Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2008



Company registration number: 04925834

Accelerate Sport and Music Limited

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Accelerate Sport and Music Limited

DIRECTORS AND OFFICERS

31 December 2008

DIRECTORS

B Campbell
C McEwen

SECRETARY

T Berg

REGISTERED OFFICE

14th Floor, 89 Albert Embankment
London
SE1 7TP

BANKERS

Allied Irish Bank
City Office
9/10 Angel Court
London
EC2R 7AB

AUDITORS

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Accelerate Sport and Music Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Accelerate Sport And Music Limited for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of providing accounting and taxation services.

The results for the year are set out on page 8.

REVIEW OF THE BUSINESS

The level of business and the growth in fee income have been satisfactory and the directors believe that the level of activity in the current year to be sustainable for the future.

DIRECTORS AND DIRECTORS INTERESTS

The Directors who served during the year are set out on page 3.

G Grant, S Nayo, and M Oberholzer ceased to be directors with effect from 10 February 2009 and D Thompson on 30 April 2009.

DIRECTORS' RESPONSIBILITIES

The Directors are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the net profit or loss for that period. In preparing those financial statements, the Directors are required to:

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgments and estimates that are reasonable and prudent;
- c. Prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will continue in business.

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 requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Accelerate Sport and Music Limited

DIRECTORS' REPORT continued

FINANCIAL RISK MANAGEMENT LIMITED

The company's risk is managed on a group basis and risk management procedures are documented in the financial statements of the company's parent, Essentially Group Limited.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITORS

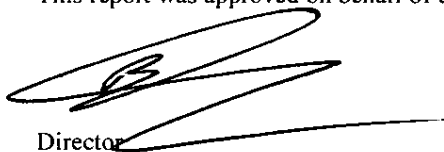
So far as the directors are aware:

- 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
- The directors have taken all steps that they ought to have to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to appoint Grant Thornton UK LLP as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved on behalf of the board on 9 August 2009



Director

By order of the Board of Directors

Accelerate Sport and Music Limited

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF ACCELERATE SPORT AND MUSIC LIMITED

We have audited the financial statements of Accelerate Sport And Music Limited for the year ended 31 December 2008 which comprise the principal accounting policies, profit and loss account, balance sheet and notes to the financial statements. These financial statements have been prepared under the accounting policies set out therein.

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 DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement on Directors Responsibilities contained in the Directors' Report.

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 contained 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 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 in it.

BASIS OF OUR 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 judgments made by the directors in the preparation of the accounts, 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 that 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.

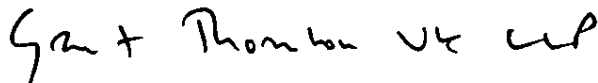
Accelerate Sport and Music Limited

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF ACCELERATE SPORT AND MUSIC LIMITED – continued

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 at 31 December 2008 and of its loss for the year then ended;
- The financial statements have been properly prepared in accordance with Companies Act 1985;
- The information given in the Report of the Directors is consistent with the financial statements.



GRANT THORNTON UK LLP
REGISTERED AUDITORS

Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

23 November 2009

Accelerate Sport and Music Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2008

	<i>Note</i>	31 December 2008 £	31 December 2007 £
TURNOVER		211,797	401,695
Cost of sales		51,581	17,796
GROSS PROFIT / LOSS		160,216	383,899
Other Operating Expenses		167,886	222,559
OPERATING (LOSS) PROFIT	2	(7,670)	161,340
Interest receivable		-	-
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,670)	161,340
TAXATION	3	3,327	(472)
RETAINED (LOSS) / PROFIT FOR THE FINANCIAL PERIOD	11	(4,343)	161,812

The operating loss for the period arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

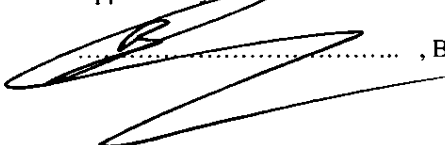
Accelerate Sport and Music Limited

BALANCE SHEET

At 31 December 2008

	<i>Note</i>	2008 £	2007 £
Fixed assets			
Investments	4	2,242	-
Current assets			
Stock and work in progress	5	225,940	239,818
Debtors	6	44,739	191,556
Cash at bank and in hand		168,817	444
		<u>439,496</u>	<u>431,818</u>
Creditors: Amounts falling due within one year	7	<u>(308,047)</u>	<u>(293,784)</u>
Net current assets / (liabilities)		<u>131,449</u>	<u>138,034</u>
Total assets less current liabilities		<u>133,691</u>	<u>138,034</u>
Creditors: Amounts falling due after more than one year	8	<u>(150,000)</u>	<u>(150,000)</u>
		<u>(16,309)</u>	<u>(11,966)</u>
Capital and Reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	11	(17,309)	(12,966)
SHAREHOLDERS FUNDS		<u>(16,309)</u>	<u>(11,966)</u>

Approved by the Board of Directors on 9 August 2009 and signed on its behalf by

 , Bart Campbell, Director

The accompanying notes and accounting policies form an integral part of these financial statements.

Accelerate Sport and Music Limited

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles.

TURNOVER

Turnover represents the total amount receivable during the financial year for the sale of goods supplied and services provided, derived from the companies principal activity, after trade discounts, excluding value added tax. In respect of consulting services this is spread out over the period of the underlying contract. In respect of sales it is recognised when services are delivered to the client.

WORK IN PROGRESS

Work in progress is recognised at the lower of cost and net realisable value. Costs of work in progress includes overheads appropriate to the stage of completion. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion.

GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 Companies Act 1985 as it is a subsidiary undertaking of Essentially Group Limited, a company registered in Jersey, and is included in the consolidated accounts of that company.

Accelerate Sport and Music Limited

NOTES TO THE FINANCIAL STATEMENTS – continued

2. OPERATING PROFIT (LOSS)	2008 £	2007 £
Operating profit (loss) is stated after charging		
Depreciation and amounts written off tangible fixed assets:		
Charge for the period – owned assets	<u>-</u>	<u>729</u>
3. TAXATION ON ORDINARY ACTIVITIES		
UK corporation tax at 28% (2007: 30%)	(3,327)	472
Deferred tax	<u>-</u>	<u>-</u>
	<u>(3,327)</u>	<u>472</u>
Factors affecting the tax charge:		
Loss on ordinary activities before taxation	<u>(7,670)</u>	<u>151,550</u>
Loss on ordinary activities by rate of tax	(2,148)	45,465
Expenses not deductible	-	995
Timing differences	-	742
Losses brought forward	-	(46,484)
Other adjustments	<u>(1,179)</u>	<u>(246)</u>
	<u>(3,327)</u>	<u>472</u>
4. INVESTMENTS	2008 £	2007 £
Additional costs and at 31 December 2008	<u>2,242</u>	<u>-</u>
The company owns 100% of the Share Capital of In-Site Sports (pty) Limited, registered in South Africa, and of Accelerate New Zealand Limited, registered in New Zealand.		
5. INVENTORIES		
Work in progress	<u>225,940</u>	<u>239,818</u>

Accelerate Sport and Music Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

6. DEBTORS	2008 £	2007 £
Due within one year:		
Trade debtors	41,186	183,627
Amounts due from group companies	-	3,270
Other debtors and prepayments	3,553	4,431
	<u>44,739</u>	<u>191,556</u>
7. CREDITORS: amounts falling due within one year		
Bank loans and overdraft	-	3,797
Trade creditors	2,581	10,375
Amounts due to Group undertakings	288,917	262,688
Corporation tax	-	-
Other taxes and social security	16,549	10,811
Accruals and other creditors	-	6,113
	<u>308,047</u>	<u>293,784</u>
8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>150,000</u>	<u>150,000</u>
9. SHARE CAPITAL		
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Accelerate Sport and Music Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

10. RECONCILIATION OF MOVEMENTS IN SHAREDHOLDERS FUNDS	2008 £	2007 £
(Loss) Profit for the financial period	(4,343)	161,812
Opening shareholders funds	<u>(11,966)</u>	<u>(173,778)</u>
Closing shareholders funds	<u>(16,309)</u>	<u>(11,966)</u>

11. PROFIT AND LOSS ACCOUNT

At 1 January	(12,966)	(174,778)
Profit for the financial period	<u>(4,343)</u>	<u>161,812</u>
At 31 December	<u>(17,309)</u>	<u>(12,966)</u>

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Essentially Group Limited, a company registered in Jersey, which holds 100% of the issued share capital. A copy of the group accounts of Essentially Group Limited can be obtained from Ground Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE1 4HH.

13. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Essentially group Limited, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the group as related parties). The consolidated financial statements of Essentially Group Limited, within which this company is included, can be obtained from the registered office of the company.

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The ultimate parent company, Essentially Group Limited ("EG") has a bank loan of £8,149,000. The facility has been secured by debentures from EG and certain of the Group's subsidiary companies, including the Company, as well as an inter company cross guarantee between these companies and carries an interest rate of up to 2.25% above LIBOR.