

Company Registration No.: 05163313

BUCKS MUSIC LIMITED

Report and unaudited financial statements

Period ended

30 June 2005



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Bipin Kotecha

Chartered Accountant

BUCKS MUSIC LIMITED

Annual report and unaudited financial statements for the period ended 30 June 2005**Contents**

Directors

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Directors

L E Platz
P L Platz
S H Platz
R E Platz

Secretary and registered office

J D Attwood,
Onward House, 11 Uxbridge Street, London, W8 7TQ

Company number

05163313

Accountant

Bipin Kotecha, 123 Queen Alexandra Mansions, Tonbridge Street, London WC1H 9DW

BUCKS MUSIC LIMITED

Directors' report for the period ended 30 June 2005

The company was incorporated on 25 June 2004 and commenced trading on 1 July 2004. The directors present their report together with the unaudited financial statements for the period ended 30 June 2005.

Results

The profit and loss account is set out on page 3 and shows the profit for the year.

Principal activities

The principal activity of the company is that of music publishers including the provision of management services in connection therewith.

Directors

The directors of the company during the year and their beneficial interests in the shares of the company were as stated below:

Ordinary 'B' shares of £0.01 each
30 June 2005 25 June 2004

Hal Directors Limited (appointed 25/6/04, resigned 25/6/04)		
L E Platz (appointed 25/6/04)	9,000	-
P L Platz (appointed 25/6/04)	27,000	-
S H Platz (appointed 25/6/04)	27,000	-
R E Platz (appointed 25/6/04)	27,000	-

S H Platz also had an interest, at 30 June 2005, in 10,000 Ordinary 'A' shares of £0.01 each.

Statement of Directors' Responsibilities

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:

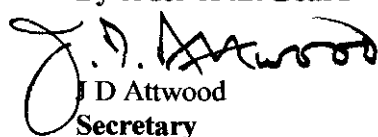
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Companies Act 1985

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


J D Attwood
Secretary

14 September 2006

BUCKS MUSIC LIMITED

Accountants' report on the unaudited financial statements to the Board of Directors

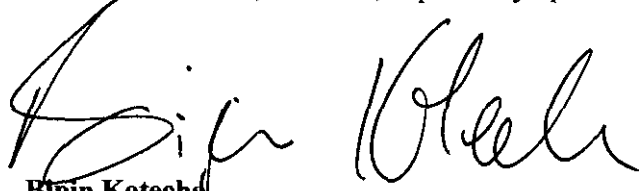
In accordance with the engagement letter dated 17 May 2005 and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records 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 financial statements 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 financial statements.

You have acknowledged on the balance sheet for the period ended 30 June 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements 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 financial statements. 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 financial statements.



Bipin Kotecha
Chartered Accountant
LONDON

14 September 2006

BUCKS MUSIC LIMITED

Profit and loss account for the period ended 30 June 2005

	Note	2005 £
Turnover	2	556,192
Cost of sales		(3,328)
		<hr/>
Gross profit		552,864
Administrative expenses		(610,832)
Other operating income		1,970
		<hr/>
Operating loss	3	(55,998)
Exceptional items – group reorganisation and demerger	5	951,602
Income from shares in group undertakings		195,320
Interest receivable and similar income		1,428
Interest payable and similar charges		(2)
		<hr/>
Profit on ordinary activities before taxation		1,092,350
Tax on profit from ordinary activities	6	-
		<hr/>
Profit for the financial year		1,092,350
Dividends payable	12	(141,738)
		<hr/>
Retained profit for the financial year	12	950,612
		<hr/> <hr/>

The company commenced trading on 1 July 2004.

All amounts relate to continuing activities.

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

The notes on pages 5 to 11 form part of these unaudited financial statements.

BUCKS MUSIC LIMITED

Balance sheet at 30 June 2005

	Note	2005	
		£	£
Fixed assets			
Tangible assets	7		859,619
Investments	8		481,172
			<u>1,340,791</u>
Current assets			
Debtors	9	319,007	
Cash at bank and in hand		35,501	
		<u>354,508</u>	
Creditors: amounts falling due within one year	10	(743,687)	
		<u></u>	
Net current liabilities			(389,179)
			<u></u>
Total assets less current liabilities			<u>951,612</u>
			<u></u>
Capital and reserves			
Called up share capital	11		1,000
Profit and loss account	12		950,612
			<u></u>
Shareholders' funds			<u>951,612</u>

For the period ended 30 June 2005, the directors have taken advantage of exemption the company is entitled under section 249A(1) Companies Act 1985 to not have these financial statements audited. The directors confirm that members have not deposited any notice under section 249B(2) Companies Act 1985 to require the company to obtain an audit of these financial statements. The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 Companies Act 1985; and
- (b) preparing financial statements 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 then ended in accordance with the requirement of section 226 Companies Act 1985 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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 the Financial Reporting Standard for Smaller Entities (effective June 2002).

The unaudited financial statements were approved by the Board on 14 September 2006.


P L Platz
Director

The notes on pages 5 to 11 form part of these unaudited financial statements.

BUCKS MUSIC LIMITED

Notes forming part of the unaudited financial statements for the period ended 30 June 2005

1 Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention. The following principal accounting policies have been applied:

Turnover

Credit is taken for royalty income, arising from the music publishing and related activities, which has been received or declared by users by the period end. Credit is taken for fees, arising from the provision of management services, in respect of the client's accounting periods ending on or before the end of the year under review and to the extent credit has not been taken previously.

Cost of sales

Cost of sales includes royalties payable and other direct costs. Royalties payable are written-off to the extent that amounts are contractually paid or are payable in respect of the year under review.

Tangible fixed assets and depreciation

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

Freehold buildings	1% and 10%
Fixtures, fittings & equipment	20% and 25%
Motor vehicles	25%

Investments

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

Pensions

The pension costs charged in the accounts represent the contributions payable by the company during the year.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

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.

Group accounts

The accounts present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings satisfy the criteria provided in section 248 of the Companies Act 1985 for exemption from the preparation of group accounts. The company has taken advantage of this exemption.

BUCKS MUSIC LIMITED

Notes forming part of the unaudited financial statements for the period ended 30 June 2005

2 Turnover

Turnover is wholly attributable to the principal activity of the company. The directors have not disclosed turnover by geographical markets.

3 Operating loss

2005
£

This has been arrived at after charging/(crediting):

Depreciation	22,294
Profit on sale of fixed assets	(4,000)

4 Directors' emoluments

2005
£

Emoluments and pension contributions	247,823
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The number of directors for whom there are retirement benefits accruing under money purchase pension schemes amounted to 2 .

5 Exceptional items – group reorganisation and demerger of Bucks Music Group Limited

As part of a group reorganisation tangible fixed assets were disposed of at less than book value which resulted in a loss of £35,031. Further details are given in note 7.

Also as part of the group reorganisation, the company's subsidiary, Bucks Music Group Limited, purchased all its Ordinary 'A' shares held by the company for £986,643. As this holding had a book value of £10, a gain of £986,633 results.

Prior to undertaking these transaction clearances were obtained from HM Revenue & Customs - the directors do not consider that any tax charge arises on the exceptional items.

6 Tax on profit from ordinary activities

The company profit for the period under review results in a loss of approximately £25,000 after adjusting for taxation purposes. The taxation of exceptional items is commented upon in note 5. These losses are available for carry forward against future trading profits or alternatively for surrender and offset against taxable profits of subsidiary companies.

BUCKS MUSIC LIMITED

Notes forming part of the unaudited financial statements for the period ended 30 June 2005

7 Tangible assets

	Freehold land and buildings £	Plant, machinery and motor vehicles £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>				
At 25 June 2004	-	-	-	-
Additions – intra-group	901,634	125,713	323,889	1,351,236
Additions	14,024	-	4,334	18,358
Disposals – intra-group	-	(40,302)	(323,889)	(364,191)
Disposals	-	(15,075)	-	(15,075)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2005	915,658	70,336	4,334	990,328
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 25 June 2004	-	-	-	-
Additions – intra-group	70,993	55,726	278,857	405,576
Provided for the year	10,420	11,152	722	22,294
Disposals – intra-group	-	(3,229)	-	(3,229)
Disposals	-	(15,075)	(278,857)	(293,932)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2005	81,413	48,574	722	130,709
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 June 2005	834,245	21,762	3,612	859,619
	<hr/>	<hr/>	<hr/>	<hr/>
At 25 June 2004	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The 'additions – intra-group' relate to acquisition of assets at their book value from the company's then subsidiary, Bucks Music Group Limited. The 'disposals – intra-group' relate to sale back to Bucks Music Group Limited of certain assets: Bucks Music Group Limited acquired certain motor vehicles at their book value and the fixtures, fittings and equipment for £10,000 resulting in a loss to the company of £35,031.

BUCKS MUSIC LIMITED

Notes forming part of the unaudited financial statements for the period ended 30 June 2005

8 Investments

	Subsidiary undertakings £	Shares Participating interests £	Total £
<i>Cost</i>			
At 25 June 2004	-	-	-
Additions	469,704	12,468	482,172
Disposals	(1,000)	-	(1,000)
At 30 June 2005	468,704	12,468	481,172
<i>Provision</i>			
Charge for period and at 30 June 2005	-	-	-
<i>Net Book Value</i>			
At 30 June 2005	468,704	12,468	481,172
At 25 June 2004	-	-	-

The additions represent the acquisition of Bucks Music Group Limited and the interests in the following companies. Bucks Music Group Limited was acquired by way of a share for share transaction (see note 11) and is recorded at the nominal value of shares issued. The interests in the other companies were acquired from Bucks Music Group Limited at their net book value. The disposal relates to Bucks Music Group Limited.

	Class of shares held	Nominal value held %	Aggregate capital and reserves at year end	Profit/(loss) for the year
Subsidiary undertakings				
<i>Subsidiaries of Bucks Music Limited:</i>				
Onward Music Limited	Ordinary	100	577,480	240,502
<i>Subsidiaries of Onward Music Limited:</i>				
Cube Records Limited	Ordinary	100	1	-
Hummingbird Productions Limited	Ordinary	100	3,409	274
Noeland Productions Limited	Ordinary	100	3,699	1,773
Tarantula Productions Limited	Ordinary	100	3,532	1,163
Tuesday Productions Limited	Ordinary	100	3,109	15,039
Participating interests				
Coda Music Limited	Ordinary	50	13,340	547
Jazz-Art Music Limited	Ordinary	50	(9,319)	(230)
Newquay Music Limited	Ordinary	50	(39,009)	(3,054)
Harmony Music Limited	Ordinary	25	92,548	10,956
Key Music Limited	Ordinary	25	21,802	1,462
Kew Music Holdings Limited	Ordinary	20	New company	

BUCKS MUSIC LIMITED

Notes forming part of the unaudited financial statements for the period ended 30 June 2005

8 Investments (continued)

All undertakings are incorporated within Great Britain. Except for Cube Records Limited and Kew Music Holdings Limited, all undertakings operate as music publishers and/or record producers and promoters. Cube Records Limited is dormant and Kew Music Holdings Limited is a holding company for its overseas subsidiaries.

Except for Coda Music Limited and Newquay Music Limited, all companies have financial years ending on 30 June each year and the financial information given relates to the year ended on 30 June 2005. Coda Music Limited has its financial year end on 31 December each year and the financial information given relates to the year ended 31 December 2004. Newquay Music Limited has its financial year end on 31 March each year and the financial information given relates to the year ended 31 March 2005.

9 Debtors

	2005 £
Trade debtors	181,876
Amounts owed by group undertakings	65,919
Amounts owed by participating interests	55,899
Other debtors	15,313
	<hr/> 319,007 <hr/>

All amounts above fall due for payment within one year.

10 Creditors: amounts falling due within one year

	2005 £
Trade creditors	293,120
Amounts owed to group undertakings	68,018
Amounts owed to undertakings in which the company has a participating interest	-
Taxation and social security costs	22
Other creditors	382,527
	<hr/> 743,687 <hr/>

BUCKS MUSIC LIMITED

Notes forming part of the unaudited financial statements for the period ended 30 June 2005

11 Share capital

Authorised	2005 Number	2005 £
Ordinary shares of 1p each	900,000	9,000
Ordinary 'A' shares of 1p each	10,000	100
Ordinary 'B' shares of 1p each	90,000	900
	<hr/>	<hr/>
	1,000,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid	2005 Number	2005 £
Ordinary 'A' shares of 1p each	10,000	100
Ordinary 'B' shares of 1p each	90,000	900
	<hr/>	<hr/>
	100,000	1,000
	<hr/>	<hr/>

In addition to the one Ordinary share of 1p issued as the subscriber share, the company also issued a further 99,999 Ordinary shares during the period to 30 June 2005. The shares were issued in exchange for all the issued shares of Bucks Music Group Limited. The company has taken advantage of the merger relief provisions of section 131 Companies Act 1985 to not make a transfer to the share premium account.

As part of the group re-organisation and demerger of the group, during the period under review, the issued share capital of the company was reorganised in to 'A' and 'B' Ordinary shares of 1p each.

Following the payment of the dividend in specie (see note 12) to the holders of the Ordinary 'A' shares, the rights of these shares, under the company's articles of association, are exhausted.

12 Statement of movement on the profit and loss account

	£
At 25 June 2004	-
Profit for the financial year	1,092,350
Dividend in specie – distribution of shares in Bucks Music Group Limited	(990)
Proposed dividend	(140,748)
	<hr/>
At 30 June 2005	950,612
	<hr/>

The amount of the dividend in specie is the book value of shares of Bucks Music Group Limited distributed to the holders of the Ordinary 'A' shares.

BUCKS MUSIC LIMITED

Notes forming part of the unaudited financial statements for the period ended 30 June 2005

13 Pension costs

The company operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the scheme and amounted to £38,051. Contributions totalling £11,718 were accruing to the scheme at the year-end and are included in other creditors.

14 Related party transactions

Control

The company is controlled by the directors who are also the shareholders.

Transactions

The company was established as a new holding company above Bucks Music Group Limited from which it acquired certain assets. Subsequently, Bucks Music Group Limited was transferred to the director S H Platz by way of a demerger. Notes 5, 7, 8, 11 and 12 above set out further details with regard to the reorganisation of the group and demerger of Bucks Music Group Limited.

Turnover includes management and service charges receivable of £543,287 from various subsidiaries, companies in which the company or a subsidiary has a participating interest and other entities in which the directors have an interest.

Other operating income includes rent receivable of £1,970, in respect of the company's freehold property, from Bucks Music Group Limited, a company which ceased to be a subsidiary of the company during the year and in which the director S H Platz continues to have an interest.

Administrative expenses includes management and service charge payable of £261,101 payable to Bucks Music Group Limited, a company which ceased to be a subsidiary during the year and in which the director S H Platz continues to have an interest.

A number of overseas subsidiary undertakings of Bucks Music Group Limited, a company in which the director S H Platz has an interest, have entered into normal commercial arrangements to sub-publish copyright material on behalf of the company in their respective territories. These overseas companies are held through a UK holding company, Kew Music Holdings Limited, in which the company's parent company has a participating interest. Royalty amounts due from these sub-publishing arrangements are accounted for in accordance with the policy set out in note 1. Due to the number and nature of these arrangements the directors do not consider it practical nor cost effective to provide details of the amounts involved.

Balances

Details of balances, if any, with group companies and companies in which there is a participating interest are given in notes 9 and 10.

Trade debtors includes £161,342 due from companies in which the subsidiary Onward Music Limited has a participating interest. Trade debtors also include £20,530 due from Cube Soundtracks Limited, a company which ceased to be a subsidiary during the year and in which Mr S H Platz continues to have an interest. Trade creditors includes £285,236 due to Bucks Music Group Limited which ceased to be a subsidiary during the year and in which Mr S H Platz continues to have an interest.