

Registered number 6432269

IMAGEM UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE ONE MONTH PERIOD
ENDED 31 JANUARY 2009

WEDNESDAY



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COMPANIES HOUSE

**IMAGEM UK LIMITED
DIRECTORS AND PROFESSIONAL ADVISERS**

DIRECTORS

T Smith
K Hoskins
CP Masters Beheer BV

COMPANY SECRETARY

M Hillier

REGISTERED OFFICE

The Matrix Building
91 Peterborough Road
London
SW6 3BU

BANKERS

National Westminster Bank Plc
15 Bishopsgate
London
EC2N 3NW

AUDITOR

Ernst & Young LLP
1 More London Place
London
SE1 2AF

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IMAGEM UK LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 31 January 2009

PRINCIPAL ACTIVITY

The principal activity of the group throughout the period was music publishing. The directors do not anticipate that this activity will change in the foreseeable future.

ENHANCED BUSINESS REVIEW

During the period, the company traded satisfactorily. During the normal annual business planning cycle, the board uses the production of an annual budget as the main performance indicator to judge business progress through the period. This budget is reinforced by a half year reforecast, undertaken on a 6 months actual, plus 6 months reforecast basis. In addition, the board constantly reviews the net publishers share generated on the various revenue formats. The board, for operational reasons, concluded on the need for a one month set of accounts. Given the short length of the current period under review, the board has had limited ability to monitor progress. For the future, the company will revert to accounts drawn up to 31 December, with the next set of accounts being for the eleven months ended 31 December 2009.

As part of the ongoing review of business risk and performance, the ultimate parent company board met monthly. The principal risks and uncertainties facing the business are as follows:

- the company's revenues are substantially made up of royalty revenues on copyrighted music signed to the company. The company is dependent on the continuing popularity of the works to which it has exploitation rights,
- the company's main source of funding is a Euro denominated intercompany loan and is therefore subject to potentially adverse exchange movements, and
- the company and its fellow subsidiaries are potentially at risk from further downturn in the economies in which they respectively operate.

At the period end, the board considers the company to be well placed to continue to exploit its valuable range of catalogues, although the board remains vigilant to further opportunities for increased business efficiency, either through catalogue acquisition, or cost saving.

The group and company balance sheets at 31 January 2009 showed net current liabilities of £22,215,000 (2008: £23,896,000) and £25,715,000 (2008: £27,396,000) respectively. Imagem CV has confirmed that it will continue to provide support to the group and company to enable them to meet their liabilities as they fall due for at least twelve months from the date of signing the financial statements.

RESULTS AND DIVIDENDS

The financial results of the company for the period, set out in the profit and loss account on page 4, show a profit on ordinary activities before taxation of £1,452,000 (2008: £9,271,000). The directors do not propose to declare a dividend for the period.

DIRECTORS

The directors, who served during the period, were as follows:

T Smith
K Hoskins
CP Masters Beheer BV

appointed 1 April 2010

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the Group and company. Ernst & Young LLP have confirmed their willingness to continue in office.

By order of the Board



M S Hillier
Company Secretary
30 April 2010

IMAGEM UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMAGEM UK LIMITED

We have audited the financial statements of Imagem UK Limited for the period ended 31 January 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 16. 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 auditor's 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, 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 (APB'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 group's and the parent 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 group's and the parent company's affairs as at 31 January 2009 and of the group's profit for the period 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Philip Young (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

30 April 2010

IMAGE UK LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT
Period ended 31 January 2009

	Notes	1 month to 31 January 2009 £000	12 months to 31 December 2008 £000
Sales	2	79	7,222
Cost of sales		(66)	(5,395)
Gross profit		13	1,827
Administrative expenses		(306)	(3,771)
Operating loss	2	(293)	(1,944)
Net interest receivable/(payable) and similar income/(charges)	4	1,745	(7,327)
Profit/(loss) on ordinary activities before taxation	5	1,452	(9,271)
Tax on profit on ordinary activities	6	(15)	-
Profit/(loss) on ordinary activities after taxation	13	1,437	(9,271)

All income and losses relate to continuing operations

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES
Period ended 31 January 2009


The company had no recognised gains or losses in the period, other than those disclosed in the profit and loss account

IMAGE UK LIMITED
CONSOLIDATED BALANCE SHEET
31 January 2009

	Notes	31 January 2009 £000	31 December 2008 £000
Fixed assets			
Intangible assets	8	53,637	53,881
		<hr/> 53,637	<hr/> 53,881
Current assets			
Debtors	10	2,712	2,644
Cash at bank and in hand		5,178	5,247
		<hr/> 7,890	<hr/> 7,891
Current liabilities			
Amounts falling due within one year	11	(30,105)	(31,787)
		<hr/> (22,215)	<hr/> (23,896)
Total assets less current liabilities		<hr/> 31,422	<hr/> 29,985
Capital and reserves			
Called up share capital	12	-	-
Share premium	13	39,256	39,256
Profit and loss account	13	(7,834)	(9,271)
		<hr/> 31,422	<hr/> 29,985
Equity shareholder's funds	13	<hr/> 31,422	<hr/> 29,985

The financial statements were approved and authorised for issue by the board of directors on 30 April 2010

Signed on behalf of the board of directors



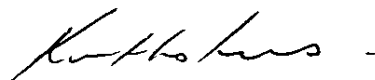
K Hoskins
Director

IMAGE UK LIMITED
COMPANY BALANCE SHEET
31 January 2009

	Notes	31 January 2009 £000	31 December 2008 £000
Fixed assets			
Intangible	8	163	165
Investments	9	60,043	60,043
		<hr/>	<hr/>
		60,206	60,208
Current assets			
Debtors	10	2,712	2,644
Cash at bank and in hand		5,178	5,247
		<hr/>	<hr/>
		7,890	7,891
Current liabilities			
Amounts falling due within one year	11	(33,605)	(35,287)
		<hr/>	<hr/>
Net current liabilities		(25,715)	(27,396)
		<hr/>	<hr/>
Total assets less current liabilities		34,491	32,812
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	-	-
Share premium	13	39,256	39,256
Profit and loss account	13	(4,765)	(6,444)
		<hr/>	<hr/>
Equity shareholder's funds	13	34,491	32,812
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the board of directors on 30 April 2010

Signed on behalf of the board of directors



K Hoskins
Director

IMAGEM UK LIMITED
CONSOLIDATED CASH FLOW STATEMENT
Period ended 31 January 2009

	Notes	1 month to 31 January 2009 £000	12 months to 31 December 2008 £000
Operating loss		(293)	(1,944)
Amortisation		244	2,855
(Increase)/decrease in debtors		(68)	1,626
Increase in creditors		128	4,432
Net cash inflow from operating activities		11	6,969
Taxation			
Foreign taxes paid		(1)	-
Returns on investments and servicing of finance			
Interest received		1	65
Acquisitions and disposals			
Payments to acquire subsidiary companies		-	(61,006)
Net cash inflow/(outflow) before financing		11	(53,972)
Financing			
Issue of new shares at a premium		-	39,256
Drawdown of group loan		-	19,628
Cash inflow from financing		-	58,884
Increase in cash		11	4,912
Reconciliation of net cash flow to movement in cash			
Opening cash balances		(5,247)	-
Foreign exchange loss/(gains)		80	(335)
		(5,167)	(335)
Closing cash balances		5,178	5,247
Increase in cash		11	4,912

IMAGEM UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 January 2009

1 ACCOUNTING POLICIES

A summary of the accounting policies, which have been applied on a consistent basis during the current period is set out below

Fundamental accounting concept

The accounts have been prepared on the going concern basis. The company has sufficient credit to meet its debts as and when they fall due.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable laws and accounting standards in the United Kingdom.

The group and company balance sheets at 31 December 2009 showed net current liabilities of £22,215,000 (2008: £23,896,000) and £25,715,000 (2008: £27,396,000) respectively. Imagem CV has confirmed that it will continue to provide support to the group and company to enable them to meet their liabilities as they fall due for at least twelve months from the date of signing the financial statements.

Turnover

Turnover represents royalties received, net of VAT. Royalty income is recognised in the period to which it relates, or if it can not be reliably estimated, on a receipts basis.

Foreign currency translations

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rates of exchange ruling at the balance sheet date.

Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less provisions. Provisions for any impairment in value are charged to the profit and loss account.

Current taxation

Current taxation or group relief is accounted for at the prevailing corporation tax rates.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted, and
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Copyrights

Copyrights are stated at cost less accumulated amortisation. The cost of copyrights not acquired as part of a business combination, is amortised evenly over the shorter of the expected useful life of the copyrights and 20 years. Provision is made for any impairment.

IMAGEM UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
Period ended 31 January 2009

2 SEGMENTAL INFORMATION

	Sales 1 month to 31 January 2009 £000	Sales 12 months to 31 December 2008 £000
United Kingdom	79	7,222
	Operating loss 2009 £000	Operating loss 2008 £000
United Kingdom	(293)	(1,944)

The company engages in only one class of business. The company is a music publisher, deriving turnover from royalties received.

3 STAFF COSTS AND DIRECTORS' EMOLUMENTS

The directors received no remuneration from the company and the company had no staff during the period. However, the company has contracted with CP Masters UK Ltd to provide all administrative and marketing services, as required.

4 NET INTEREST PAYABLE

	1 month to 31 January 2009 £000	12 months to 31 December 2008 £000
Interest payable		
Interest charges on loans from parent undertaking	137	1,210
Exchange loss on foreign currency bank accounts	80	-
Exchange loss on group undertakings - loan	-	6,520
	217	7,730
Interest receivable		
Exchange gains on group undertakings - loan	(1,810)	-
Exchange gains on group undertakings - loan interest	(103)	-
Exchange gains on group undertakings - intercompany accounts	(48)	-
Bank interest	(1)	(65)
Exchange gains on foreign currency bank accounts	-	(338)
Net interest (receivable)/payable and similar (income)/charges	(1,745)	7,327

IMAGEM UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
Period ended 31 January 2009

5 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit/(loss) on ordinary activities before taxation is stated after charging

	1 month to 31 January 2009 £000	12 months to 31 December 2008 £000
Fees payable to the company's auditors for the audit of the company's accounts	10	25
Amortisation	<u>244</u>	<u>2,855</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The United Kingdom taxation rate used for the period was 28 0% (2008 28 5%)

(a) The taxation charge, based on the profit for the period, is made up as follows

	1 month to 31 January 2009 £000	12 months to 31 December 2008 £000
Current year corporation tax	14	-
Prior period foreign taxes written off	<u>1</u>	<u>-</u>
Tax charge on profit on ordinary activities	<u>15</u>	<u>-</u>

(b) Factors affecting current tax charge for the period

The tax assessed for the period is different from the standard rate of corporation tax in the UK of 28 0% (2008 28 5%) The differences are explained below

	1 month to 31 January 2009 £000	12 months to 31 December 2008 £000
Profit/(loss) on ordinary activities before tax	<u>1,452</u>	<u>(9,271)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax of 28 0% (2008 28 5%)	407	(2,642)
Effects of		
expenses not deductible for tax purposes	82	806
losses brought forward utilised	(488)	-
free group relief surrendered	13	18
losses carried forward	-	1,818
prior period charge	<u>1</u>	<u>-</u>
Current tax charge for the period	<u>15</u>	<u>-</u>

(c) Factors that may affect future tax charges

No deferred tax asset has been recognised in respect of the following timing differences, as their future utilisation is uncertain

	31 January 2009 £000	31 December 2008 £000
Losses carried forward	<u>1,312</u>	<u>1,753</u>

IMAGE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
Period ended 31 January 2009

7 LOSS FOR THE PERIOD

As permitted by section 400 of the Companies Act 2006, the profit and loss account of the parent company is not included in these financial statements. The parent company's profit before appropriations for the period was £1,679,000 (2008 loss £6,444,000)

8 INTANGIBLE FIXED ASSETS

	<u>Group</u> <u>Copyrights</u> <u>£000</u>	<u>Company</u> <u>Copyrights</u> <u>£000</u>
Cost		
At 31 December 2008	56,818	193
Additions	-	-
	<hr/>	<hr/>
At 31 January 2009	56,818	193
Accumulated amortisation		
At 31 December 2008	2,937	28
Charge to profit & loss account	244	2
	<hr/>	<hr/>
At 31 January 2009	3,181	30
Net book value		
At 31 January 2009	53,637	163
	<hr/>	<hr/>
Net book value		
At 31 December 2008	53,881	165
	<hr/>	<hr/>

9 INVESTMENTS

Shares in subsidiaries, at cost and net book value	<u>Company</u> <u>2008</u> <u>£000</u>
At 31 December 2008	60,043
	<hr/>
At 31 January 2009	60,043
	<hr/>

At the balance sheet date, the company had an interest in the entire ordinary share capital of the following consolidated subsidiaries

	<u>Percentage</u> <u>ownership</u>	<u>Country of</u> <u>incorporation</u>
	Direct Indirect	
Catalogue owning companies		
Imagem Songs Limited	100%	England
Imagem London Limited	100%	England
Imagem Entertainment Limited	100%	England
Imagem Publishing Limited	100%	England
Dormant companies		
Grantsville Publishing Limited	100%	England
Imagem Management Limited	100%	England
M56 Publishing Limited	100%	England
Street Music Limited	100%	England
Take Out Music Publishing Limited	100%	England

IMAGE UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
Period ended 31 January 2009

10 DEBTORS Due within one year

	Group		Company	
	31 January	31 December	31 January	31 December
	2009	2008	2009	2008
	£000	£000	£000	£000
Trade debtors	93	213	93	213
Other debtors	282	160	282	160
Prepayments and accrued income	2,337	2,271	2,337	2,271
	<hr/>	<hr/>	<hr/>	<hr/>
	2,712	2,644	2,712	2,644
	<hr/>	<hr/>	<hr/>	<hr/>

11 CREDITORS

	Group		Company	
	31 January	31 December	31 January	31 December
	2009	2008	2009	2008
	£000	£000	£000	£000
Trade creditors	33	12	33	12
Amount due to parent undertakings	25,658	27,481	25,658	27,481
Amount due to fellow subsidiary undertaking	81	4	81	4
Amount due to subsidiary undertakings	-	-	3,500	3,500
Accruals and deferred income	4,319	4,290	4,319	4,290
Corporation tax payable	14	-	14	-
	<hr/>	<hr/>	<hr/>	<hr/>
	30,105	31,787	33,605	35,287
	<hr/>	<hr/>	<hr/>	<hr/>

12 SHARE CAPITAL

	31 January 2009		31 December 2008	
	No	£	No	£
Ordinary shares of £1 each				
- authorised shares	100	100	100	100
- allotted called up and fully paid	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>

IMAGEM UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
Period ended 31 January 2009

13 RESERVES AND MOVEMENT ON SHAREHOLDERS' FUNDS

	Share premium	Profit & loss account	Total	Total
	1 month to 31 January 2009 £000	1 month to 31 January 2009 £000	1 month to 31 January 2009 £000	12 months to 31 December 2008 £000
Group				
At 1 January	39,256	(9,271)	29,985	-
On issue of shares	-	-	-	39,256
Profit/(loss) for the financial period	-	1,437	1,437	(9,271)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December / 31 January	39,256	(7,834)	31,422	29,985
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
At 1 January	39,256	(6,444)	32,812	-
On issue of shares	-	-	-	39,256
Profit/(loss) for the financial period	-	1,679	1,679	(6,444)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December / 31 January	39,256	(4,765)	34,491	32,812
	<hr/>	<hr/>	<hr/>	<hr/>

14 CONTINGENT LIABILITIES

The company has no contingent liabilities

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

As at the date above the company's ultimate controlling party was Algemene Pensioen Groep, an institution registered in The Netherlands at 70 Oude Lindestraat, 6411 EK Heerlen, The Netherlands

16 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose related party transactions between wholly owned subsidiaries. However, during the period the following transactions were undertaken with non-consolidated related parties

- (a) management services fees of £59,000 (31 December 2008 £662,000) were paid to CP Masters UK Limited,
- (b) brand license fees of £1,000 (31 December 2008 £91,000) were paid to CP Masters BV,
- (c) interest of £137,000 (31 December 2008 £1,210,000) was accrued in respect of an intercompany loan from Imagem CV