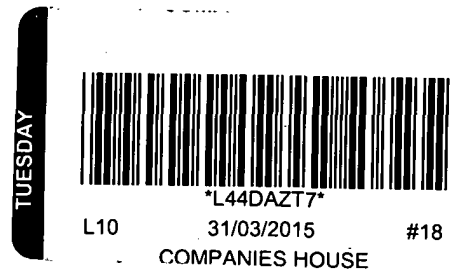


Company Registration No. 06816179 (England and Wales)

CORD WORLDWIDE LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014



CORD WORLDWIDE LTD

COMPANY INFORMATION

Directors

D M Jackson
P Moross
R Bonner-Davies

Secretary

A Smith

Company number

06816179

Registered office

6-8 Kingly Court
Kingly Street
London
W1B 5PW

Auditors

Wilson Wright LLP
Chartered Accountants
Thavies Inn House
3-4 Holborn Circus
London
EC1N 2HA

CORD WORLDWIDE LTD

CONTENTS

	Page
Directors' report	1
Independent auditors' report	2 - 3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 12

CORD WORLDWIDE LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2014

The directors present their annual report and financial statements for the year ended 30 June 2014.

Principal activities

The principal activity of the company continued to be that of music consulting.

Directors

The following directors have held office since 1 July 2013:

D M Jackson
P Moross
R Bonner-Davies

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.

Auditors

The auditors, Wilson Wright LLP will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

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.

Small company exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board


D M Jackson

Director

29/01/2015

CORD WORLDWIDE LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CORD WORLDWIDE LTD

We have audited the financial statements of Cord Worldwide Ltd for the year ended 30 June 2014 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 page 1, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

CORD WORLDWIDE LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CORD WORLDWIDE LTD

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

Warren Baker FCA (Senior Statutory Auditor)
for and on behalf of Wilson Wright LLP
Chartered Accountants and Statutory Auditors
Thavies Inn House
3-4 Holborn Circus
London
EC1N 2HA

31 January 2015

CORD WORLDWIDE LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 £	2013 £
Turnover	2	2,732,655	2,241,101
Cost of sales		(1,369,250)	(1,474,557)
Gross profit		1,363,405	766,544
Administrative expenses		(1,283,157)	(753,674)
Profit on ordinary activities before taxation	3	80,248	12,870
Tax on profit on ordinary activities	4	(8,324)	-
Profit for the financial year	11	71,924	12,870

CORD WORLDWIDE LTD


BALANCE SHEET

AS AT 30 JUNE 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	5		93,296		10,895
Investments	6		23,931		-
			<u>117,227</u>		<u>10,895</u>
Current assets					
Debtors	7	1,078,879		469,270	
Cash at bank and in hand		150,488		436,181	
		<u>1,229,367</u>		<u>905,451</u>	
Creditors: amounts falling due within one year	8	(860,597)		(641,385)	
Net current assets			<u>368,770</u>		<u>264,066</u>
Total assets less current liabilities			<u>485,997</u>		<u>274,961</u>
Creditors: amounts falling due after more than one year	9		(698,697)		(559,585)
			<u>(212,700)</u>		<u>(284,624)</u>
Capital and reserves					
Called up share capital	10		89		89
Profit and loss account	11		(212,789)		(284,713)
Shareholders' funds			<u>(212,700)</u>		<u>(284,624)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 29/01/2015



 D M Jackson
 Director

Company Registration No. 06816179

CORD WORLDWIDE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

At the balance sheet date the company had net liabilities of £212,700. The company is part of a group of which Cutting Edge Music (Holdings) Limited is the parent. The parent company has undertaken to provide such financial support as is required to ensure that the company is able to meet its working capital requirements for the foreseeable future. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 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.

1.4 Turnover

Turnover represents amounts receivable for music consulting services provided in the year and excludes value added tax.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a reducing balance basis at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	20%
Fixtures, fittings & equipment	20%

1.6 Investments

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

1.7 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 the profit and loss account.

1.8 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 400 of the Companies Act 2006 as it is a subsidiary undertaking of Cutting Edge Music (Holdings) Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

CORD WORLDWIDE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

2 Turnover

An analysis of turnover is as follows:

	2014 £	2013 £
Geographical market:		
United Kingdom	1,593,751	1,878,086
Overseas	1,138,904	363,015
	<u>2,732,655</u>	<u>2,241,101</u>

3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	23,324	2,724
Auditors' remuneration	9,000	2,000
Directors' remuneration	211,759	150,000
	<u>244,083</u>	<u>154,724</u>

4 Taxation

	2014 £	2013 £
Domestic current year tax		
U.K. corporation tax	8,324	-
	<u>8,324</u>	<u>-</u>

CORD WORLDWIDE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

5 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 July 2013	-	17,257	17,257
Additions	63,495	42,230	105,725
	<u>63,495</u>	<u>59,487</u>	<u>122,982</u>
At 30 June 2014	63,495	59,487	122,982
Depreciation			
At 1 July 2013	-	6,362	6,362
Charge for the year	12,699	10,625	23,324
	<u>12,699</u>	<u>16,987</u>	<u>29,686</u>
At 30 June 2014	12,699	16,987	29,686
Net book value			
At 30 June 2014	<u>50,796</u>	<u>42,500</u>	<u>93,296</u>
At 30 June 2013	<u>-</u>	<u>10,895</u>	<u>10,895</u>

CORD WORLDWIDE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 July 2013	-
Additions	24,019
Disposals	(88)
At 30 June 2014	23,931
Net book value	
At 30 June 2014	23,931

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 %
Subsidiary undertakings			
Paleblue Limited	UK	Ordinary	100.00
Cord US LLC	US	Ordinary	100.00
Cord India Limited (formerly Cord Entertainment Ltd)	UK	Ordinary	100.00

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

		Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
	Principal activity		
Paleblue Limited	Music supervision, acting as a record company and copyright creation	967,809	697,475
Cord US LLC	Music consulting	(917)	2,294
Cord India Limited (formerly Cord Entertainment Ltd)	Music consulting and talent providers	(91,543)	(91,544)

CORD WORLDWIDE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

7 Debtors	2014	2013
	£	£
Trade debtors	791,669	392,683
Amounts owed by group undertakings	150,630	-
Other debtors	136,580	76,587
	<u>1,078,879</u>	<u>469,270</u>

Debtors include an amount of £39,813 (2013 - £-) which is due after more than one year.

8 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	177,879	139,850
Amounts owed to group undertakings	330,305	297,261
Taxation and social security	22,753	14,801
Other creditors	329,660	189,473
	<u>860,597</u>	<u>641,385</u>

The company's credit card facility is secured over the company's bank deposit. At 30 June 2014 the balance outstanding on the credit card was £4,960 (2013: £nil).

9 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Amounts owed to Cutting Edge Music (Holdings) Limited	<u>698,697</u>	<u>559,585</u>

10 Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
4,000 A Ordinary Shares of 1p each	40	40
4,925 B Ordinary Shares of 1p each	49	49
	<u>89</u>	<u>89</u>

During the year 50 B Ordinary shares of 1p each were issued at par.

CORD WORLDWIDE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2013	(284,713)
Profit for the financial year	71,924
	<hr/>
Balance at 30 June 2014	(212,789)
	<hr/>

12 Contingent liabilities

The company has provided a cross company guarantee in respect of a long term loan held by it's ultimate parent company. At 30 June 2014, the outstanding balance on the bank loan was £260,000 (2013 - £316,000).

13 Control

Cutting Edge Music (Holdings) Limited, a company incorporated in England and Wales, was regarded as the company's ultimate controlling party at the balance sheet date.

CORD WORLDWIDE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

14 Related party relationships and transactions

During the year the following transactions took place with the company's ultimate controlling party, Cutting Edge Music (Holdings) Limited:

- Sales of £nil (2013: £18,000)
- Purchases of £nil (2013: £11,063)
- Management recharges of £85,000 (2013: £51,000)

During the year the following transactions also took place with fellow group subsidiaries:

Paleblue Limited

- Sales of £91,978 (2013: £nil)
- Management recharges of £573,232 (2013: £300,000)

A.I.R-Edel Recording Studios Limited

- Purchases of £15,641 (2013: £986)

Cord Worldwide LLC

- Management recharges of £85,000 (2013: £nil)

At the year end the following amounts were owed to the company by fellow group members:

- £19,136 (2013: £nil) from Cord Worldwide LLC
- £29,632 (2013: £nil) from Caast Limited
- £101,862 (2013: £nil) from Cord Entertainment Limited

At the year end the following amounts were owed by the company to fellow group members:

- £698,697 (2013: £559,585) to Cutting Edge Music (Holdings) Limited
- £323,931 (2013: £291,673) to Paleblue Limited
- £2,240 (2013: £1,515) to A.I.R-Edel Recording Studios Limited
- £2,292 (2013: £2,292) to Cutting Edge Music Services LLC
- £1,842 (2013: £1,781) to A.I.R. Edel Associates Limited

Other related party transactions & balances

During the year purchases of £nil (2013: £2,000) were made from S Jackson, the wife of D M Jackson. At the year end £nil (2013 - £1,500) was owed to S Jackson.

During the year the company purchased 100 Ordinary shares of £1 each in Paleblue Limited for £23,279 from Cutting Edge Music (Holdings) Limited.

During the year the company purchased 88 Ordinary shares of £1 each in CAAST Limited at par. On 15 May 2014 Caast Limited subdivided their £1 Ordinary shares into £0.001 Ordinary shares. On 1 June 2014 the company sold their 88,000 Ordinary shares of £0.001 each to Conduct Inc (formerly known as Cutting Edge Management Inc) at par. Conduct Inc is a wholly owned subsidiary of Cutting Edge Music (Holdings) Limited.