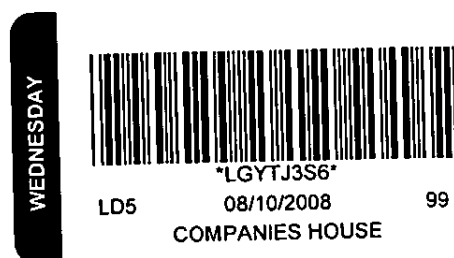


COMPANY REGISTRATION NUMBER 606756

Ardmore & Beechwood Limited
Directors' Report and Financial Statements
For the Year Ended 31 March 2008



Ardmore & Beechwood Limited

Officers and Professional Advisers

The board of directors	J C Channon (Resigned 23 November 2007) A J Mollett (Resigned 31 August 2007) C W Booth (Resigned 23 November 2007) G K Moot (Resigned 23 November 2007) F Malyan (Resigned 23 November 2007) A G Bebawi (Resigned 23 November 2007) C Roling (Served from 23 November 2007 to 22 September 2008) J C Quillan (Served from 23 July 2007 to 23 November 2007) S Alexander (Appointed 23 November 2007) R Punja (Appointed 23 November 2007) A Chadd (Appointed 22 September 2008)
Company secretary	A G Bebawi
Registered office	27 Wrights Lane London W8 5SW
Auditor	KPMG LLP Chartered Accountants Registered Auditors PO Box 695 8 Salisbury Square London EC4Y 8BB
Bankers	NatWest Bank Plc PO Box 2162 20 Dean Street London W1A 1SX
Solicitors	Mayer, Brown, Rowe and Maw LLP 11 Pilgrim Street London EC4V 6RN

Ardmore & Beechwood Limited

The Directors' Report

Year ended 31 March 2008

The directors present their report and the financial statements of the company for the year ended 31 March 2008. The comparatives are for the year ended 31 March 2007.

Principal activities and business review

The principal activity of the company continued to be that of music publishing. No material change in the activities of the business is contemplated.

On 17 August 2007, EMI Group plc was acquired by Maltby Limited and on 18 September 2007 delisted from trading on the London Stock Exchange plc's main market for listed securities. EMI Group plc also changed its name to EMI Group Limited on 4 October 2007. TFCP Holdings Limited became the ultimate parent undertaking.

During the financial year turnover was down 13% and the operating result was down 8% compared to last year.

The turnover of the company is generated from usage of the songs written by the company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. Direct costs attributed to the turnover are the writer's shares of the royalties earned on their compositions.

The company employs no staff and has no separate facilities or overheads, except for those recharged for services rendered by other companies in the EMI Music Publishing group.

Key performance indicators are designed to indicate how the company had performed on key ratios, and the company uses NPS margin and operating margin as the key performance indicators which are most appropriate. The NPS margin is higher than last year; there were proportionately more third party sales which are at a better margin. The operating margin is similar to last year, reflecting the higher overall costs of distribution and lower turnover.

There are no KPI's specifically relating to environmental and employee issues as the company has no employees or separate facilities. It is not possible to obtain meaningful market share information for a company of this size, so we do not consider a KPI appropriate.

Principal Risks and Uncertainties.

The principal risks and uncertainties facing the company concern the value of the worldwide market for recorded music which has declined by about 33% since 2001 according to data from the IFPI. Whilst we believe that new digital products and services will drive a return to overall industry growth, there are no assurances of the timing or extent of any improvement. This may have a negative impact, as the Company generates a significant portion of its revenues from mechanical royalties, primarily from the sale of Music in CD and other formats. We are dependant on identifying, signing and retaining talented songwriters whose new releases are well received and whose music will continue to generate revenues for years to come. Competition for such talent is intense and our financial results would be adversely affected if we fail to identify, sign and retain songwriters. External bodies such as local third-party collection societies, have a significant influence on some of our revenues. Performance rates are usually set by performing rights societies and may be subject to challenge by licensees. These processes of setting mechanical and performance revenues may result in the setting of rates at levels lower than we would wish and may therefore adversely affect our ability to increase profitability.

Results and dividends

The profit for the year amounted to £92,914. The directors have not recommended a dividend.

Directors

The directors who served the company during the year and up to the date of this report are listed on page 1.

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Ardmore & Beechwood Limited

The Directors' Report *(continued)*

Year ended 31 March 2008

Qualifying third party indemnity provisions

The parent undertaking, EMI Group Limited, (formerly EMI Group plc) has maintained insurance to cover directors' and officers' liability as defined by section 310(3)(a) of the Companies Act 1985 (as amended)

Donations

There were no grants, charitable donations and political contributions made during the year (year ended 31 March 2007 £nil)

Auditors and disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under Companies Act 1985 section 234A

a) So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

b) he/she has taken all the steps that they ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

During the year, following the resignation of Ernst & Young LLP, KPMG LLP were appointed as auditors to the company

Pursuant to section 386 of the Companies Act 1985, a resolution is to be put to the forthcoming Annual General Meeting which, if passed, would result in the company not being required to appoint its auditors annually KPMG LLP would then continue as the company's auditors

Signed on behalf of the directors



Director

Approved by the directors on 3 October 2008

Ardmore & Beechwood Limited

Statement of Directors' Responsibilities

Year ended 31 March 2008

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 UK Generally Accepted Accounting Practice (UK 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 these 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, and
- 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 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.

Independent Auditors' Report to the Shareholders of Ardmore & Beechwood Limited

Year ended 31 March 2008

We have audited the financial statements of Ardmore & Beechwood Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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 given 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 within it.

Basis of audit 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 judgements made by the directors in the preparation of the financial statements, 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 which 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.

**Independent Auditors' Report to the Shareholders of
Ardmore & Beechwood Limited** *(continued)*

Year ended 31 March 2008

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors
PO Box 695
8 Salisbury Square
London
EC4Y 8BB

7 October 2008

Ardmore & Beechwood Limited

Profit and Loss Account

Year ended 31 March 2008

	Note	2008 £	2007 £
Turnover	2	313,742	360,833
Cost of sales		(167,066)	(210,232)
Gross profit		146,676	150,601
Distribution costs		(11,187)	(13,669)
Administrative expenses		(42,575)	(36,198)
Operating profit on ordinary activities before taxation	3	92,914	100,734
Tax on profit on ordinary activities	6	—	(97,779)
Profit for the financial year		<u>92,914</u>	<u>2,955</u>

The notes on pages 9 to 13 form part of these financial statements

All of the activities of the company are classed as continuing

The company has no recognised gains and losses other than those included in the Profit and Loss account above, and therefore no separate statement of total recognised gains and losses has been presented

A note of historical cost profit and loss has not been included as part of the financial statements since the results disclosed are prepared on an unmodified historical cost basis

Ardmore & Beechwood Limited

Balance Sheet

At 31 March 2008

	Note	2008 £	2007 £
Current assets			
Debtors	7	276,145	117,602
Creditors, amounts falling due within one year	8	180,353	114,724
Net current assets		<u>95,792</u>	<u>2,878</u>
Total assets less current liabilities		<u>95,792</u>	<u>2,878</u>
Capital and reserves			
Called-up share capital	9	1,000	1,000
Profit and loss account	10	<u>94,792</u>	<u>1,878</u>
Shareholders' funds	10	<u>95,792</u>	<u>2,878</u>

The notes on pages 9 to 13 form part of these financial statements

These financial statements were approved by the directors and authorised for issue on ~~3 October 2008~~ 3 October 2008 and are signed on their behalf by



Director

Ardmore & Beechwood Limited

Notes to the Financial Statements

Year ended 31 March 2008

1 Accounting policies

Basis of preparation

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

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and part of EMI Group Limited, whose consolidated financial statements contain a cash flow

Related party transactions

As the Company is a wholly owned subsidiary of EMI Group Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities where more than 90% of the voting rights are held within the EMI group

Turnover

The company's turnover is wholly attributable to its principal activity and the directors do not believe that any part of the company's worldwide market is significantly different from any other

Turnover consists of income from copyrights and is recorded when reported to the company by the relevant source. No reliable basis for accruing unreported revenue is available. Revenue is stated after deducting all commissions and any sales related taxes levied on turnover.

All turnover arises from continuing activities. In certain countries, the company has assigned its rights to royalty income to other undertakings of the EMI Group.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Debtors - royalty advances

Royalties due to a composer are credited against any outstanding advance in the year of receipt until the advance is fully recovered. If it is thought that future earnings will not amount to the net value of an advance, then a provision for the estimated shortfall is raised. Advances are included in debtors as recoverable within one year although certain amounts may be recovered after more than one year.

Ardmore & Beechwood Limited

Notes to the Financial Statements

Year ended 31 March 2008

2. Turnover

The turnover is attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2008 £	2007 £
United Kingdom	212,863	252,017
Rest of Europe	65,536	63,721
USA	21,321	5,052
Rest of the world	14,022	40,043
	<u>313,742</u>	<u>360,833</u>

3. Profit before tax on ordinary activities

	2008 £	2007 £
<i>Operating profit on ordinary activities before tax is stated after charging</i>		
Auditors' remuneration		
- audit of these financial statements	<u>3,570</u>	<u>3,000</u>

Management charges of £50,192 (2007 £46,867) have been split between distribution costs and administrative expenses in the profit and loss account

Amounts receivable by the company's auditors and their associates, other than the audit of the company's financial statements, have not been disclosed as the information is required, instead, to be disclosed on a consolidated basis in the consolidated financial statements of Maltby Capital Limited, the company's parent

4. Directors' emoluments

The former directors of the company were also directors of EMI Music Publishing Limited and fellow subsidiaries. These directors received a total remuneration for the year of £1,676,605 (2007 £2,251,810), all of which was paid by EMI Music Publishing Limited. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of EMI Music Publishing Limited and fellow subsidiary undertakings.

Following the purchase of the company by Terra Firma during the year, all the directors resigned from their positions. The directors in place at year end received no remuneration during the year in respect of their services to the Company. These directors received remuneration from Maltby Capital Limited, which is disclosed in the total payroll costs of that company.

5. Staff costs

The company had no employees (2007 none)

Ardmore & Beechwood Limited

Notes to the Financial Statements

Year ended 31 March 2008

6. Tax on profit/(loss) on ordinary activities

	2008 £	2007 £
UK corporation tax		
UK corporation tax on income for the period	27,874	30,220
Payments in respect of group relief - Current year	(27,874)	67,559
Payments in respect of group relief - Prior year	-	-
Double taxation relief	-	-
	<u>-</u>	<u>97,779</u>
Foreign tax		
Current tax on income for the period	-	-
Adjustments in respect of previous periods	-	-
	<u>-</u>	<u>-</u>
Total current tax charge	-	97,779
Deferred tax		
Originating and reversal of timing differences	-	-
Effect of changes in tax rate on opening liability	-	-
Changes in recoverable amounts of deferred tax assets	-	-
	<u>-</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>97,779</u>

	2008 £	2007 £
Factors affecting current tax charge		
(Loss)/Profit on ordinary activities before tax	92,914	100,734
Current tax at 30% (2007 - 30%)	27,874	30,220
Effect of		
Permanent differences	-	-
Depreciation in excess of capital allowances	-	-
Group relief (received)/surrendered for nil payment - current year	(27,874)	-
Group relief (received)/surrendered for payment of greater than 30% - current year	-	67,559
Group relief (received)/surrendered for payment of greater than 30% - prior year	-	-
Total current tax charge	<u>-</u>	<u>97,779</u>

Factors affecting future tax charge

As part of the EMI Group, the company may receive or surrender losses by way of group relief. This receipt or surrender may be made with or without charge.

Deferred tax

At the balance sheet date the company had unused tax losses of £nil available for offset against future profits.

Ardmore & Beechwood Limited

Notes to the Financial Statements

Year ended 31 March 2008

7 Debtors		
	2008	2007
	£	£
Amounts owed by group undertakings	275,752	117,602
Other debtors	393	—
	<u>276,145</u>	<u>117,602</u>

8 Creditors: amounts falling due within one year		
	2008	2007
	£	£
Trade creditors	79,190	113,184
Amounts owed to group undertakings	99,992	—
Other taxation and social security	1,171	1,540
	<u>180,353</u>	<u>114,724</u>

9 Share capital		
Authorised share capital:		
	2008	2007
	£	£
Ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

10 Reconciliation of shareholders' funds and movement on reserves			Total
	Share capital	Profit and loss account	shareholders' funds
	£	£	£
At 1 April 2007	1,000	1,878	2,878
Profit for the year	—	92,914	92,914
At 31 March 2008	<u>1,000</u>	<u>94,792</u>	<u>95,792</u>

11 Charge over assets

Ardmore and Beechwood Limited acceded, on 28 January 2008, to a debenture dated 30 August 2007 (as amended, supplemented, novated, extended, restated or varied from time to time) and made between, amongst others, Maltby Acquisitions Limited (formerly known as Maltby Limited) and Citibank, N A, London Branch as Security Agent, pursuant to which the company charged, by way of mortgage or fixed charge or assign by way of security (as appropriate) all of their right, title and interest in certain assets, charge all or substantially all of their present and future assets and undertaking by way of first floating charge in favour of the Security Agent to secure the repayment of the Secured Liabilities (as defined therein) and covenant that they will, on demand, pay and discharge the Secured Liabilities

Ardmore & Beechwood Limited

Notes to the Financial Statements

Year ended 31 March 2008

12. Ultimate parent company

At 31 March 2008, the Company's immediate parent company was EMI Music Publishing Ltd, a company incorporated and registered in England and Wales

The ultimate parent undertaking and controlling party is TFCP Holdings Limited, a company registered in Guernsey. The parent undertaking of the largest group to consolidate these financial statements is Maltby Capital Limited. The parent of the smallest group to consolidate these financial statements is Maltby Investments Ltd. Copies of the consolidated financial statements of both Maltby Capital Limited and Maltby Investments Ltd can be obtained from the Company Secretary at 27 Wrights Lane, London W8 5SW.