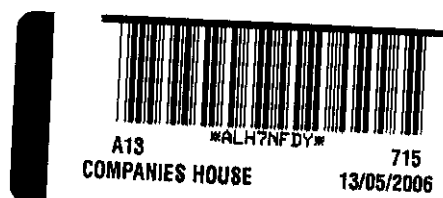


Fanfare Music Company Limited

Directors' report and financial statements

31 August 2005

Registered number 619076



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2005.

Principal activities and future developments

The principal activity of the company is music publishing. The directors do not anticipate any change in this activity over the coming year.

Results and dividends

The result for the year (2004: result for the year) is set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend for the year under review (2004: £nil).

Directors and directors' interests

The directors who have held office during the year were as follows:

C N Wright
NR Fenton
RJH Lascelles

None of the directors who held office at 31 August 2005 had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the year.

At 31 August 2005 and 31 August 2004 CN Wright was also a director of the ultimate parent company, Chrysalis Group PLC, and his share interests are stated in the directors' report of that company.

On 6 January 2000, RJH Lascelles was granted options over 12,740 ordinary shares of 2p each in the ultimate parent company, Chrysalis Group PLC, at an exercise value of £2.90. On 24 November 2000, RJH Lascelles was granted options over 4,755 ordinary shares of 2p each in the ultimate parent company, Chrysalis Group PLC, at an exercise value of £3.05. On 23 November 2001, RJH Lascelles was granted options over 6,761 ordinary shares of 2p each in the ultimate parent company, Chrysalis Group PLC, at an exercise value of £2.38.

At 31 August 2005 and 2004 NR Fenton held 6,855 ordinary shares of 2p each in Chrysalis Group PLC and had an interest in a further 6,855 ordinary shares of 2p each held by Mrs Fenton.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

CR Potterell
Secretary



The Chrysalis Building
Bramley Road
London
W10 6SP

24 April 2006

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 year. 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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

PO Box 695
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Report of the Independent Auditor to the members of Fanfare Music Company Limited

We have audited the financial statements on pages 4 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our 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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

24 April 2006

Profit and loss account

for the year ended 31 August 2005

	<i>Note</i>	2005 £	2004 £
Turnover		2,594	1,737
Cost of sales		(1,096)	(566)
		<hr/>	<hr/>
Gross profit		1,498	1,171
Administrative expenses		(1,498)	(1,171)
		<hr/>	<hr/>
Operating result and result on ordinary activities before and after taxation		-	-
		<hr/> <hr/>	<hr/> <hr/>

Amounts relating to turnover and operating result in the current and previous year derive from continuing activities.

There is no difference between the historical cost profit and that reported in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

Statement of total recognised gains and losses

for the year ended 31 August 2005

There were no recognised gains or losses in the current year or prior year.

Reconciliation of movements in equity shareholders' funds

for the year ended 31 August 2005

	2005	2004
	£	£
Equity shareholders' funds brought forward	6	6
Result for the year	-	-
	<hr/>	<hr/>
Equity shareholders' funds carried forward	6	6
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet

at 31 August 2005

	Note	£	2005 £	£	2004 £
Fixed assets					
Investments	5		37,502		37,502
Current assets					
Debtors	6	1,973		1,973	
Creditors:					
amounts falling due within one year	7	(39,469)		(39,469)	
Net current liabilities			(37,496)		(37,496)
Net assets			6		6
Capital and reserves					
Called up share capital	9		6		6
Profit and loss account			-		-
Shareholders' funds - equity			6		6

These financial statements were approved by the Board of directors on 24 April 2006 and were signed on its behalf by:



NR Fenton
Director

The notes on pages 7 to 11 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following policies have been consistently applied.

Going concern

The accounts have been prepared on a going concern basis in view of the fact that Chrysalis Group PLC, has formally indicated that it will provide sufficient funding to the company to enable to meet its liabilities as they fall due, for at least the next twelve months.

Group accounts

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group. The company's results are included in the consolidated accounts of Chrysalis Group PLC, registered in England and Wales.

Turnover

Turnover represents music publishing royalties (excluding value added tax) and relates wholly to the company's principal activity.

Royalties

Music publishing royalties received are accounted for on a notified earnings basis, with any unrecouped royalty advances carried forward until the end of the relevant contract period. Royalties payable are expensed on an accruals basis except that music publishing royalty advances are carried forward and recognised as an asset where such advances relate to proven artists or songwriters and where it is estimated that sufficient future royalties will be earned for recoupment of these advances.

Investments

Investment in subsidiary is stated at cost less amounts written off.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the profit on ordinary activities.

Notes (continued)

1 Accounting policies (continued)

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.

Chrysalis Group PLC entities are able to relieve their taxable losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of the group that such losses will be purchased and paid for by the recipient company. Where there is reasonable certainty that taxable losses can be utilised the group relief receivable is included in the taxation charge or credit for the year.

2 Result on ordinary activities before taxation

	2005 £	2004 £
<i>Result on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration:		
Audit	580	550
	<u> </u>	<u> </u>

3 Directors' and employees' remuneration

None of the Directors were remunerated by the company during the year (2004: nil).

Messrs RJH Lascelles, CN Wright and NR Fenton received remuneration from Chrysalis Group PLC which is included in the total payroll costs of that company.

The company did not have any other employees and as a result incurred no staff costs (2004: £nil).

Notes (continued)

4 Taxation

No tax charge arises as there are no taxable profits in either the current or prior year.

5 Investments

	Shares in group undertakings £
<i>Shares:</i>	
<i>Cost</i>	
At beginning and end of year	37,502
	<hr/>
<i>Provisions</i>	
At beginning and end of year	-
	<hr/>
<i>Net book value</i>	
At 31 August 2005	37,502
	<hr/> <hr/>
At 31 August 2004	37,502
	<hr/> <hr/>

The investment is in 100% of the ordinary share capital of Tin Pan Alley Music Limited, a company incorporated in England and Wales.

	Country of Incorporation	Principal activity	Class and Percentage of shares held
<i>Subsidiary undertakings</i>			
Tin Pan Alley Music Limited	England and Wales	Music publishing	100% Ordinary shares

In the opinion of the directors the investment in the company's subsidiary is worth at least the amount at which it is stated in the company's balance sheet.

6 Debtors: due within one year

	2005 £	2004 £
Other debtors	1,973	1,973
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	1,486	919
Amounts owed to group undertakings	36,057	37,125
Accruals and deferred income	1,926	1,425
	<u>39,469</u>	<u>39,469</u>

8 Deferred tax

Deferred tax has not been provided for at 31 August 2005 or 31 August 2004 on the basis that there are no timing differences at the end of either year.

9 Called up share capital

<i>Equity</i>	2005 £	2004 £
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
6 ordinary shares of £1 each	<u>6</u>	<u>6</u>

10 Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) on the grounds that its parent undertaking, Chrysalis Group PLC, includes the company in its own published consolidated financial statements.

11 Related party transactions

As the company is a wholly owned subsidiary of Chrysalis Group PLC, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 Related Party Disclosure and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Chrysalis Group PLC, within which the company is included, can be obtained from the address given in note 12 below. There were no other related party transactions.

Notes *(continued)*

12 Ultimate parent company

Fanfare Music Company Limited is a wholly owned subsidiary of Global Chrysalis Music Publishing Company Limited, a company incorporated in England and Wales.

The ultimate parent company is Chrysalis Group PLC, which is registered in England and Wales, for which consolidated accounts are prepared. The consolidated accounts of this company may be obtained from The Secretary, Chrysalis Group PLC, The Chrysalis Building, Bramley Road, London W10 6SP.