

Registration number 619076

Fanfare Music Company Limited
Directors' report and financial statements
for the year ended 30 September 2010

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Fanfare Music Company Limited

Company information

Directors	C N Wright A J Mollett R J H Lascelles
Secretary	A J Mollett
Company number	619076
Registered office	The Chrysalis Building Bramley Road London W10 6SP
Auditors	KPMG Audit Plc 15 Canada Square London E14 5GL United Kingdom
Business address	The Chrysalis Building Bramley Road London W10 6SP

Fanfare Music Company Limited

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Fanfare Music Company Limited
Directors' report
for the year ended 30 September 2010

The directors present their report and the financial statements for the year ended 30 September 2010

Principal activity

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 of £nil (2009 £nil) is set out in the profit and loss account on page 5.

The directors do not recommend payment of a dividend for the year ended 30 September 2010 (2009 £nil).

Directors

The directors who served during the year and to the date of this report are as stated below:

C N Wright
A J Mollett
R J H Lascelles

Charitable and political contributions

The Company made no political or charitable contributions during the year (2009 £nil).

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and 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 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 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.

Fanfare Music Company Limited
Directors' report
for the year ended 30 September 2010

continued

Disclosure of information to auditors

The directors who held office at the date of approval of this director's report confirm that, so far as they are each aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with Section 485 of the Companies Act 2006, 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

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the Board on . 3 / 2 / 11 and signed on its behalf by



A J Mollett
Secretary

Fanfare Music Company Limited

Independent auditors' report to the shareholders of Fanfare Music Company Limited

We have audited the financial statements of Fanfare Music Company Limited for the year ended 30 September 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and the auditors

As explained more fully in the Statement of Directors' Responsibilities 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 the financial statements in accordance with relevant 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 September 2010 and of the result for the year then ended,
- have been properly prepared in accordance with UK 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 period for which the financial statements are prepared is consistent with the financial statements.

Fanfare Music Company Limited

Independent auditors' report to the shareholders of Fanfare Music Company Limited continued

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
- 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



Steve Masters, Senior Statutory Auditor
For and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
30 February 2011

15 Canada Square
London
E14 5GL
United Kingdom

Fanfare Music Company Limited

**Profit and loss account
for the year ended 30 September 2010**

		Continuing operations	
		Year ended 30/09/10	Year ended 30/09/09
	Notes	£	£
Turnover		4,240	10,301
Cost of sales		(3,181)	(4,776)
Gross profit		<u>1,059</u>	<u>5,525</u>
Administrative expenses		(2,465)	(10,881)
Operating loss	2	<u>(1,406)</u>	<u>(5,356)</u>
Other expense		(1,973)	-
Other interest receivable and similar income	4	<u>3,379</u>	<u>5,356</u>
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	5	<u>-</u>	<u>-</u>
Result for the year		<u><u>-</u></u>	<u><u>-</u></u>

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

There are no recognised gains or losses other than the results for the above two financial years

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

Fanfare Music Company Limited

**Balance sheet
as at 30 September 2010**

		30/09/10		30/09/09	
	Notes	£	£	£	£
Fixed assets					
Investments	7		37,502		37,502
Current assets					
Debtors	8	-		1,973	
		-		1,973	
Creditors: amounts falling due within one year	9	(37,496)		(39,469)	
Net current liabilities			(37,496)		(37,496)
Total assets less current liabilities			6		6
Net assets			6		6
Capital and reserves					
Called up share capital	10		6		6
Shareholders' funds			6		6

The financial statements were approved by the Board on 3 / 2 / 11 and signed on its behalf by



A J Mollett
Director

Registration number 619076

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

Fanfare Music Company Limited
Notes to the financial statements
for the year ended 30 September 2010

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, as modified by the periodic revaluation of certain fixed assets. Under FRS 1 'Cash Flow Statements' the Company is exempt from the requirements to prepare a cash flow statement on the grounds that it is included in the consolidated accounts of its parent company, Chrysalis PLC.

Going concern

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

Group accounts

The company is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts. These financial statements represent 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 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 undertaken in the UK.

Music publishing royalties

Music publishing royalties derived from the inclusion of the company's copyrights on recorded music products or from performance are recognised when they are earned by the company from the relevant collection society or record company. Royalties derived from the synchronisation of the company's copyrights on television programmes, films or advertisements are recognised as earned. Any unrecouped royalty advances received are carried forward until the end of the relevant contract period.

Royalties payable are expensed on an accruals basis except when advances payable are carried forward within trade and other receivables where they relate to proven artists or songwriters and where it is estimated that sufficient future royalties will be recouped against those advances. Advances paid to unproven songwriters are written off in the income statement in the period they are incurred.

Investments

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

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date and the gains or losses on transaction are included in the profit and loss account.

Fanfare Music Company Limited
Notes to the financial statements
for the year ended 30 September 2010

continued

Taxation

The charge for taxation is based on 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 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.

	Year ended 30/09/10 £	Year ended 30/09/09 £
2. Operating result		
Operating result is stated after charging		
Auditors' remuneration	1,250	800
- audit of these financial statements	<u> </u>	<u> </u>

3. Directors' remuneration

The directors received no remunerations from the company for services during the year (2009 £nil)

The company did not have any other employees, and as a result incurred no staff costs (2009 £nil)

R J H Lascelles, AJ Mollett and C N Wright received remuneration from Chrysalis PLC, which is disclosed in the financial statements of that company

	Year ended 30/09/10 £	Year ended 30/09/09 £
4. Interest receivable and similar income		
Management fees receivable	<u>3,379</u>	<u>5,356</u>

Fanfare Music Company Limited
Notes to the financial statements
for the year ended 30 September 2010

continued

5. Taxation

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

6. Deferred taxation

A deferred tax asset of £358 (2009 £372) arises in the UK which has not been recognised in the accounts as these can only be deducted against future suitable tax profits. There is currently insufficient evidence that suitable taxable profits will be generated to offset the future reversal of these timing differences and therefore no asset has been recognised.

7. Fixed asset investments

**Shares in
group
undertaking
£**

Shares:

Cost

At 1 October 2009

37,502

At 30 September 2010

37,502

Net book values

At 30 September 2010

37,502

At 30 September 2009

37,502

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

Fanfare Music Company Limited

**Notes to the financial statements
for the year ended 30 September 2010**

continued

8. Debtors	30/09/10	30/09/09
	£	£
Trade debtors	-	1,973
	<u> </u>	<u> </u>
 9. Creditors: amounts falling due within one year	 30/09/10	 30/09/09
	£	£
Trade creditors	10,895	7,558
Amounts owed to group undertaking	24,836	31,096
Accruals and deferred income	1,765	815
	<u>37,496</u>	<u>39,469</u>
 10. Share capital	 30/09/10	 30/09/09
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Alloted, called up and fully paid		
6 Ordinary shares of £1 each	6	6
	<u> </u>	<u> </u>
 Equity Shares		
6 Ordinary shares of £1 each	6	6
	<u> </u>	<u> </u>

11. Related party transactions

As the company is a wholly owned subsidiary of Chrysalis PLC, the company has taken advantage of the exemption contained in FRS8 'Related Party Transactions' and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Chrysalis PLC, within which this company is included, can be obtained from the address given in note 12. There were no other related party transactions.

Fanfare Music Company Limited
Notes to the financial statements
for the year ended 30 September 2010

continued

12. Ultimate parent undertaking

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 PLC, which is incorporated in Great Britain and registered in England and Wales. The consolidated accounts of Chrysalis PLC may be obtained from The Secretary, Chrysalis PLC, the Chrysalis Building, Bramley Road, London W10 6SP

13. Post balance sheet events

On 26 November 2010, the Board of Chrysalis PLC, the ultimate parent company of Fanfare Music Company Limited, announced the recommended cash offer from BMG Luxco, a joint venture between Bertelsmann and Kohlberg Kravis Roberts & Co, for the entire issued and to be issued share capital of the Chrysalis PLC. The transaction is to be effected by means of a Scheme of Arrangement. Refer to the 2010 annual report of Chrysalis PLC for further detail.