

**DIPLOMAT MUSIC LIMITED**  
**(Registered in England No. 875521)**

**DIRECTORS' REPORT AND AUDITED ACCOUNTS**

**30TH JUNE 2007**

MONDAY



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28/04/2008

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COMPANIES HOUSE

## **DIPLOMAT MUSIC LIMITED**

### **REPORT OF THE DIRECTORS**

The directors submit their report together with the audited accounts of the company for the year ended 30th June 2007

#### **1 RESULTS AND DIVIDENDS**

The profit for the year is set out in the profit and loss account on page five. The directors do not propose to declare a dividend in respect of the year ended 30th June 2007 (2006 – Nil)

#### **2 PRINCIPAL ACTIVITY**

The principal activity of the company during the year continued to be music publishing. The directors do not anticipate any change in the future.

#### **3 DIRECTORS**

The directors of the company during the year were

J M Dyball  
J R Manners  
M A Lavin

#### **4 DIRECTORS' INTEREST IN SHARE CAPITAL**

At no time during the year did any director have any interest in the shares of the company. There has been no movement in directors' interests since 1<sup>st</sup> July 2006.

#### **5 AUDITORS**

Elliotts Shah have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

#### **6 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

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 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,
- 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 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.

**DIPLOMAT MUSIC LIMITED**

**REPORT OF THE DIRECTORS**  
**(Continued)**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

BY ORDER OF THE BOARD



M A LAVIN  
Director

Date 24 April 2008

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**DIPLOMAT MUSIC LIMITED**

We have audited the financial statements of Patricia Music Limited for the year ended 30 June 2007 on pages five to eight. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, 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 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page one.

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 Report of the Directors 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 Report of the Directors 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**

**DIPLOMAT MUSIC LIMITED (continued)**

**Opinion**

**In our opinion**

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 June 2007 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 Report of the Directors is consistent with the financial statements

*Elliotts Shah*

Elliotts Shah  
Registered Auditor  
2<sup>nd</sup> Floor  
King House  
5-11 Westbourne Grove  
London W2 4UA

Date *25 April 2008*

**DIPLOMAT MUSIC LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

	Notes	2007 £	2006 £
Turnover		-	-
Cost of Sales		-	-
		<hr/>	<hr/>
Gross Profit		-	-
Administrative Expenses		888	788
		<hr/>	<hr/>
Operating Loss	2	(888)	(788)
Interest Receivable		1,120	1,036
Interest Payable		-	-
		<hr/>	<hr/>
Profit on Ordinary Activities Before Tax		232	248
Tax on Profit on Ordinary Activities	4	(64)	(12)
		<hr/>	<hr/>
Profit on Ordinary Activities After Tax		168	236
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 8 form part of these financial statements

**DIPLOMAT MUSIC LIMITED**  
**BALANCE SHEET**  
**AT 30TH JUNE 2007**

	Notes	2007 £	2006 £
<b>Current assets:</b>			
Cash at bank		59,782	58,704
		<hr/>	<hr/>
		59,782	58,704
<b>Creditors' amounts falling due within one year</b>	5	(7,877)	(6,967)
		<hr/>	<hr/>
<b>Net current assets</b>		<u>51,905</u>	<u>51,737</u>
<b>Capital and reserves:</b>			
Share Capital	6	100	100
Profit and Loss Account		51,805	51,637
		<hr/>	<hr/>
<b>Shareholders' funds</b>	7	<u>51,905</u>	<u>51,737</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the board of directors on 24 April 2008 and were signed on its behalf by

Muhann A. Cariri  
 Director M A LAVIN

Date 24 April 2008

The notes on pages 7 to 8 form part of these financial statements

**DIPLOMAT MUSIC LIMITED**

**NOTES TO THE ACCOUNTS AT 30TH JUNE 2007**

**1 ACCOUNTING POLICIES**

*Accounting convention*

These accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

*Turnover*

Turnover represents gross royalty income Credit is taken for royalty income which has been received or declared by users prior to the year end

**2 OPERATING LOSS**

This is stated after charging,

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Administration expenses		
Auditors' remuneration	746	746
Sundry expenses	142	42
	<hr/>	<hr/>
	888	788
	<hr/> <hr/>	<hr/> <hr/>

**3 EMPLOYEES**

The company had no employees during the year (2006 - Nil) No directors' remuneration was paid during the year (2006 - Nil)

**4 TAX ON PROFITS ON ORDINARY ACTIVITIES**

a) The charge for corporation tax is made up as follows,

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Based on the profits for the year		
Corporation tax at 19% (2006 - 19%)	44	12
	<hr/>	<hr/>

b) Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax applicable to smaller companies in the U K The difference is explained below -

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	232	248
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the U K of 19% (2006 - Nil%)	44	47
Factors affecting charge -		
Disallowable expenses & non taxable income	20	(35)
	<hr/>	<hr/>
Total Current Tax (note a above)	64	12
	<hr/> <hr/>	<hr/> <hr/>



**DIPLOMAT MUSIC LIMITED**

**NOTES TO THE ACCOUNTS AT 30TH JUNE 2007**

**(Continued)**

**5 CREDITORS: amounts falling due within one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Related company – Warner/Chappell Music Ltd	7,067	5,463
Accruals	746	1,492
Current Tax Payable	64	12
	<hr/>	<hr/>
	<b>7,877</b>	<b>6,967</b>
	<hr/> <hr/>	<hr/> <hr/>

**6 SHARE CAPITAL**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Authorised, allotted, called up and fully paid		
50 'A' shares of £1 each	50	50
50 'B' shares of £1 each	50	50
	<hr/>	<hr/>
	<b>100</b>	<b>100</b>
	<hr/> <hr/>	<hr/> <hr/>

The 50 'A' shares are owned by Diplomat Music Inc, and the 50 'B' shares are owned by Warner/Chappell Music International Limited

**7 RESERVES**

	<b>£</b>
Balance as at 1 July 2006	51,637
Profit for the year	168
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Balance as at 30 June 2007	<b>51,805</b>
	<hr/> <hr/>

**8 RELATED PARTY DISCLOSURES**

As at 30 June 2007, an amount of £7,066 89 was due to Warner/Chappell Music Limited, a company related to Warner/Chappell Music International Limited, the holders of the 'B' shares