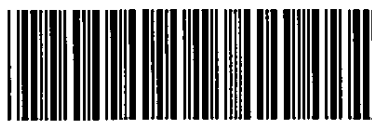


Company Registration No 918940 (England and Wales)

MARSHBROOK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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MARSHBROOK LIMITED

DIRECTORS AND ADVISERS

Directors	E P Clapton M C A Eaton J A Lang
Secretary	J A Lang
Company number	918940
Registered office	Suite 3 Old Kings Head Court 11 High Street Dorking Surrey RH4 1AR
Registered auditors	Sopher + Co Chartered Accountants 5 Elstree Gate Elstree Way Borehamwood Herts WD6 1JD
Business address	Musiclore Limited Suite 3 Old Kings Head Court 11 High Street Dorking Surrey RH4 1AR
Bankers	Coutts & Co 440 Strand London WC2 0QS

MARSHBROOK LIMITED

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MARSHBROOK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and financial statements for the year ended 31 March 2010

Principal activities and review of the business

The principal activity of the group is the management and promotion of the activities of an artiste in the entertainment industry. The principal activity of a wholly-owned subsidiary company, MV Glen Wyllin Limited is the chartering of a motor vessel.

As a result of an decreased level of worldwide touring activity by the artiste during the year under review, group income has decreased from £16 million to £10 million. The overall loss for the year largely reflects the results of the group's motor vessel chartering activities.

The directors confirm that they have considered and reviewed the financial and risk management policies of the group and are satisfied that the group will be able to continue funding its activities through cash reserves and future earnings. The principal risks and uncertainties affecting the activities of the group relate to the economic state of the global entertainment industry.

Key performance indicators

The directors consider turnover and profitability to be the key performance indicators, as set out in the profit and loss account.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

An interim ordinary dividend was paid amounting to £600,000 (2009 - £nil). The directors do not recommend the payment of a final dividend.

Future developments

The company's affairs are founded on the creative arts and future developments will be influenced by the artiste managed by the company.

Directors

The following directors have held office since 1 April 2009:

E P Clapton
M C A Eaton
J A Lang

Auditors

The auditors, Sopher + Co, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

MARSHBROOK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

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 affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

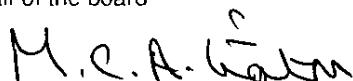
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group'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 group's auditors are aware of that information.

On behalf of the board



M C A Eaton

Director

20 December 2010

MARSHBROOK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MARSHBROOK LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Marshbrook Limited for the year ended 31 March 2010 set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice).

This report is made solely to the company's members, as a body, in accordance with section 495 and 496 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 Statement of Directors' Responsibilities, 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 applicable law and International Standards on Auditing (UK and Ireland). These 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 group's and the parent 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.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2010 and of the group's loss for the year then ended, and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report is consistent with the financial statements.

MARSHBROOK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF MARSHBROOK LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Stephen Iseman (Senior Statutory Auditor)
for and on behalf of Sopher + Co

20 December 2010

Chartered Accountants
Statutory Auditor

5 Elstree Gate
Elstree Way
Borehamwood
Herts
WD6 1JD

MARSHBROOK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
Turnover	2	9,977,284	16,396,976
Cost of sales		(3,347,480)	(4,413,172)
Gross profit		6,629,804	11,983,804
Administrative expenses		(7,638,765)	(12,637,247)
Operating loss	3	(1,008,961)	(653,443)
Other interest receivable and similar income		32,544	105,953
Interest payable and similar charges	4	(237)	-
Loss on ordinary activities before taxation		(976,654)	(547,490)
Tax on loss on ordinary activities	5	(89,806)	(419,772)
Loss on ordinary activities after taxation		(1,066,460)	(967,262)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

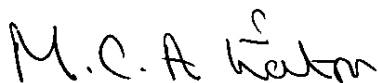
MARSHBROOK LIMITED

BALANCE SHEETS

AS AT 31 MARCH 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Tangible assets	8	12,243,685	13,173,690	90,582	90,143
Investments	9	-	-	5,203	5,203
		<u>12,243,685</u>	<u>13,173,690</u>	<u>95,785</u>	<u>95,346</u>
Current assets					
Debtors	10	2,133,163	2,282,402	1,004,715	1,183,633
Cash at bank and in hand		<u>9,819,668</u>	<u>10,848,541</u>	<u>1,916,667</u>	<u>917,517</u>
		11,952,831	13,130,943	2,921,382	2,101,150
Creditors amounts falling due within one year	11	<u>(28,330,071)</u>	<u>(28,771,728)</u>	<u>(2,948,706)</u>	<u>(2,702,837)</u>
Net current liabilities		<u>(16,377,240)</u>	<u>(15,640,785)</u>	<u>(27,324)</u>	<u>(601,687)</u>
Total assets less current liabilities		<u>(4,133,555)</u>	<u>(2,467,095)</u>	<u>68,461</u>	<u>(506,341)</u>
Creditors amounts falling due after more than one year	12	<u>(100)</u>	<u>(100)</u>	<u>(100)</u>	<u>(100)</u>
		<u>(4,133,655)</u>	<u>(2,467,195)</u>	<u>68,361</u>	<u>(506,441)</u>
Capital and reserves					
Called up share capital	13	200	200	200	200
Other reserves	14	17,697	17,697	-	-
Profit and loss account	14	<u>(4,151,552)</u>	<u>(2,485,092)</u>	<u>68,161</u>	<u>(506,641)</u>
Shareholders' funds	15	<u>(4,133,655)</u>	<u>(2,467,195)</u>	<u>68,361</u>	<u>(506,441)</u>

Approved by the Board and authorised for issue on 20 December 2010


M C A Eaton
Director

MARSHBROOK LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009
	£	£
Net cash (outflow)/inflow from operating activities	(469,098)	7,807,359
Returns on investments and servicing of finance		
Interest received	32,544	105,953
Interest paid	(237)	-
Net cash inflow for returns on investments and servicing of finance	32,307	105,953
Taxation	33,150	(417,417)
Capital expenditure		
Payments to acquire tangible assets	(25,232)	(2,135,425)
Net cash outflow for capital expenditure	(25,232)	(2,135,425)
Equity dividends paid	(600,000)	-
Net cash (outflow)/inflow before management of liquid resources and financing	(1,028,873)	5,360,470
Decrease in cash in the year	(1,028,873)	5,360,470

MARSHBROOK LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

1	Reconciliation of operating loss to net cash (outflow)/inflow from operating activities	2010	2009
		£	£
	Operating loss	(1,008,961)	(653,443)
	Depreciation of tangible assets	955,237	911,641
	Decrease/(increase) in debtors	113,105	(1,159,428)
	(Decrease)/Increase in creditors within one year	(528,479)	8,708,589
	Net cash (outflow)/inflow from operating activities	(469,098)	7,807,359
2	Analysis of net funds	1 April 2009	Cash flow Other non- 31 March 2010 cash changes
		£	£ £ £
	Net cash		
	Cash at bank and in hand	10,848,541	(1,028,873) - 9,819,668
	Debts falling due after one year	(100)	- - (100)
	Net funds	10,848,441	(1,028,873) - 9,819,568
3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	(Decrease)/increase in cash in the year	(1,028,873)	5,360,470
	Movement in net funds in the year	(1,028,873)	5,360,470
	Opening net funds	10,848,441	5,487,971
	Closing net funds	9,819,568	10,848,441

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

Going concern

The financial statements have been prepared on the going concern basis as the directors believe that the company has access to adequate funds to enable it to meet its liabilities as and when they fall due for payment. The directors have no reason to believe that the funds will not continue to be available and consider it appropriate to adopt a going concern basis. However, should the funds not be available the going concern basis used in the preparation of the group's financial statements would not be valid and adjustments would have to be made to reduce the value of assets to their realisable amount, to provide for any further liabilities which might arise and to reclassify fixed assets as current assets.

1.2 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 (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2010.

1.4 Turnover

Turnover represents royalties and non-returnable advances and motor vessel chartering fees receivable during the period net of VAT.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over 5 years
Motor Vessel	6% per annum
Fixtures, fittings & equipment	over 4 years
Motor vehicles	over 4 years

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

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

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

(continued)

1 10 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 profit and loss account.

1 11 Recording costs

Recording costs relating to albums are written off on delivery of the album. Other recording costs are expensed as incurred.

1 12 Capital reserve

Negative goodwill arising on acquisitions prior to 31 December 1997, being the excess of the fair value of the assets acquired over the purchase consideration, has been credited to reserves.

1 13 Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if they are not included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

2 Segmental analysis by class of business

The analysis by class of business of the company's turnover, loss before taxation and net assets is set out as below

Turnover

	2010	2009
	£	£
Class of business		
Entertainment industry	8,890,366	15,087,139
Motor vessel chartering	1,086,918	1,309,837
	<u>9,977,284</u>	<u>16,396,976</u>

Turnover represents royalties and non-returnable advances receivable in the year together with amounts receivable for the provision of goods and services supplied during the year, net of VAT

Loss before taxation

	2010	2009
	£	£
Class of business		
Entertainment industry	548,011	395,855
Motor vessel chartering	(1,527,665)	(943,345)
	<u>(979,654)</u>	<u>(547,490)</u>

Net assets

	2010	2009
	£	£
Class of business		
Entertainment industry	991,045	509,821
Motor vessel chartering	(4,504,681)	(2,977,016)
	<u>(3,513,636)</u>	<u>(2,467,195)</u>

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

3	Operating profit	2010	2009
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	955,237	911,641
	Loss on foreign exchange transactions	162,600	-
	Operating lease rentals	-	15,041
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £20,000, 2009 £20,000)	20,000	20,000
	and after crediting		
	Profit on foreign exchange transactions	<u>(64,424)</u>	<u>(2,505,929)</u>
4	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	<u>237</u>	<u>-</u>

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

5	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	89,806	688
	Adjustment for prior years	-	(21)
		<u>89,806</u>	<u>667</u>
	Other foreign tax	-	419,105
	Current tax charge	<u>89,806</u>	<u>419,772</u>
		<u>89,806</u>	<u>419,772</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(976,654)	(547,490)
		<u>(976,654)</u>	<u>(547,490)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	(273,463)	(153,297)
		<u>(273,463)</u>	<u>(153,297)</u>
	Effects of		
	Non deductible expenses	1,031	3,527
	Depreciation in advance of capital allowances	265,477	241,854
	Tax losses	99,549	26,184
	Withholding tax relieved	-	(117,350)
	Adjustments to previous periods	-	(21)
	Foreign tax suffered	-	419,105
	Small companies' relief	(2,788)	(230)
		<u>363,269</u>	<u>573,069</u>
	Current tax charge	<u>89,806</u>	<u>419,772</u>

Deferred tax assets have not been recognised as there is insufficient evidence as to when they may prove recoverable in the future

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2010 £	2009 £
Holding company's profit for the financial year	<u>1,174,802</u>	<u>2,527</u>

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

7	Dividends	2010 £	2009 £
	Ordinary interim paid	<u>600,000</u>	<u>-</u>

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

8 Tangible fixed assets Group

	Land and buildings Leasehold £	Motor Vessel £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2009	54,581	15,507,406	45,316	15,464	15,622,767
Additions	-	-	2,232	23,000	25,232
At 31 March 2010	54,581	15,507,406	47,548	38,464	15,647,999
Depreciation					
At 1 April 2009	2,729	2,423,859	7,025	15,464	2,449,077
Charge for the year	10,916	930,444	11,481	2,396	955,237
At 31 March 2010	13,645	3,354,303	18,506	17,860	3,404,314
Net book value					
At 31 March 2010	40,936	12,153,103	29,042	20,604	12,243,685

Tangible fixed assets (continued) Company

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2009	54,581	45,316	15,464	115,361
Additions	-	2,232	23,000	25,232
At 31 March 2010	54,581	47,548	38,464	140,593
Depreciation				
At 1 April 2009	2,729	7,025	15,464	25,218
Charge for the year	10,916	11,481	2,396	24,793
At 31 March 2010	13,645	18,506	17,860	50,011
Net book value				
At 31 March 2010	40,936	29,042	20,604	90,582
At 31 March 2009	51,852	38,291	-	90,143

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

9 Fixed asset investments

Company

Shares in
group
undertakings
£

Cost

At 1 April 2009 & at 31 March 2010

5,203

At 31 March 2009

5,203

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

9 Fixed asset investments

(continued)

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	Shares held	
		Class	%
Subsidiary undertakings			
E C Music Limited	England	Ordinary	100
E C Productions Limited	England	Ordinary	100
Drumlin Limited	Jersey CI	Ordinary	100
Duck Records Limited	England	Ordinary	100
MV Glen Wyllin Limited	Isle of Man	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
E C Music Limited	Publishing
E C Productions Limited	Dormant
Drumlin Limited	Touring and recording
Duck Records Limited	Record label
MV Glen Wyllin Limited	Motor vessel chartering

10 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	575,681	715,371	485,075	624,765
Amounts owed by group undertakings	-	-	467,366	472,366
Corporation tax	-	36,134	-	-
Other debtors	324,931	188,322	18,683	63,043
Prepayments and accrued income	1,232,551	1,342,575	33,591	23,459
	<u>2,133,163</u>	<u>2,282,402</u>	<u>1,004,715</u>	<u>1,183,633</u>

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

11 Creditors amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade creditors	41,147	50,216	-	-
Amounts owed to group undertakings	-	-	970,323	1,659,040
Corporation tax	87,737	915	8,140	227
Taxes and social security costs	6,766,451	164,918	712,176	29,323
Directors current accounts	20,448,470	16,400,299	1,130,761	676,966
Other creditors	87,870	10,225	10,225	10,225
Accruals and deferred income	898,396	12,145,155	117,081	327,056
	<u>28,330,071</u>	<u>28,771,728</u>	<u>2,948,706</u>	<u>2,702,837</u>

12 Creditors amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
<i>Non equity share capital</i>				
100 4% non cumulative preference shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

13 Share capital

	2010 £	2009 £
Authorised		
200 Ordinary Shares of £1 each	<u>200</u>	<u>200</u>
Allotted, called up and fully paid		
200 Ordinary Shares of £1 each	<u>200</u>	<u>200</u>

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

14 Statement of movements on reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2009	17,697	(2,485,092)
Loss for the year	-	(1,066,460)
Dividends paid	-	(600,000)
Balance at 31 March 2010	<u>17,697</u>	<u>(4,151,552)</u>

Other reserves

Capital redemption reserve

Balance at 1 April 2009 & at 31 March 2010

17,697

Company

	Profit and loss account £
Balance at 1 April 2009	(506,641)
Profit for the year	1,174,802
Dividends paid	(600,000)
Balance at 31 March 2010	<u>68,161</u>

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

15 Reconciliation of movements in shareholders' funds	2010	2009
Group	£	£
Loss for the financial year	(1,066,460)	(967,262)
Dividends	(600,000)	-
Net depletion in shareholders' funds	(1,666,460)	(967,262)
Opening shareholders' funds	(2,467,195)	(1,499,933)
Closing shareholders' funds	<u>(4,133,655)</u>	<u>(2,467,195)</u>
Company	2010	2009
	£	£
Profit for the financial year	1,174,802	2,527
Dividends	(600,000)	-
Net addition to shareholders' funds	574,802	2,527
Opening shareholders' funds	(506,441)	(508,968)
Closing shareholders' funds	<u>68,361</u>	<u>(506,441)</u>

16 Financial commitments

At 31 March 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
Between two and five years	<u>31,800</u>	<u>31,800</u>

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
Between two and five years	<u>31,800</u>	<u>31,800</u>

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

17 Directors' emoluments	2010 £	2009 £
--------------------------	-----------	-----------

Emoluments for qualifying services	3,920,000	11,705,000
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Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	3,920,000	11,705,000
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18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Operational	1	1
Administration	3	3
	4	4

Employment costs	2010 £	2009 £
Wages and salaries	4,857,607	12,480,572
Social security costs	247,744	54,460
	5,105,351	12,535,032

19 Control

In the opinion of the directors, E P Clapton is the controlling party

MARSHBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

20 Related party transactions

Group

During the year the group received yacht chartering fees from E P Clapton amounting to £533,710 (2009 - £825,779) on an arms length basis. At 31 March 2010 the group owed £20,488,470 (2009 - £16,400,299) to E P Clapton, the principal shareholder.

During the year management fees of £808,514 (2009 - £840,855) in respect of the group were payable to Musiclore Limited, a company in which M C A Eaton is the principal beneficial shareholder and a director.

Company

At 31 March 2010 the company owed £1,426,008 (2009 - £676,966) to E P Clapton, the principal shareholder.

During the year the company paid £326,885 (2009 - £309,507) to Musiclore Limited, a company in which M C A Eaton is the principal beneficial shareholder and a director.