

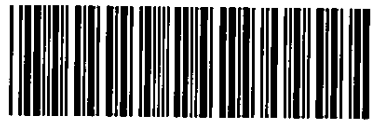
COMPANY REGISTRATION NUMBER 1974699

CIRCA Music Limited

Directors' Report and Financial Statements

For the Year Ended 31 March 2010

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CIRCA Music Limited

Officers and Professional Advisers

The board of directors	J C Channon C W Booth (Served from 17 December 2008 to 1 July 2010) R C Faxon
Company secretary	A G Bebawi & Mawlaw Secretaries Limited
Registered office	27 Wrights Lane London W8 5SW
Auditor	KPMG LLP Chartered Accountants & Statutory Auditor 8 Salisbury Square London EC4Y 8BB
Solicitors	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF

CIRCA Music Limited

The Directors' Report

Year ended 31 March 2010

The directors present their report and the financial statements of the company for the year ended 31 March 2010
The comparatives are for the year ended 31 March 2009

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.

During the financial year, the company performed reasonably well, although turnover was down 58% on last year, the operating profit of £2,632 compared favourably with an operating loss of £17,671 last year.

The operating result is significantly different to last year due to an advance provision charge of £24,690 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 has performed on key ratios, and the company uses NPS margin and operating margin as the key performance indicators which are most appropriate. Both the NPS and operating margin are higher than last year due to the factor identified above.

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.

Going Concern

CIRCA Music Limited operates as part of the Maltby Capital Limited group ("the Group") and has provided a guarantee to the Group's lender, as such the Company is affected by the terms of the Group's banking facilities. The directors have prepared the financial statements on a going concern basis, which they believe is appropriate as set out in note 1 to these financial statements.

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 8% year on year 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 dependent 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 £2,632 (2009: loss of £17,671). The directors have not recommended a dividend (2009: £nil).

CIRCA Music Limited

The Directors' Report *(continued)*

Year ended 31 March 2010

Directors

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

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 233 of the Companies Act 2006

Donations

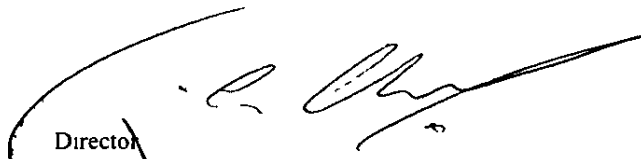
Grants and charitable donations made during the year amounted to £nil (2009 £nil) There were no political contributions made during the year (2009 £nil)

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

Signed on behalf of the directors



Director

Approved by the directors on 30 September 2010

JONATHAN CHANNON

CIRCA Music Limited

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

Year ended 31 March 2010

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 they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 United Kingdom 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 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.

Independent Auditors' Report to the Members of CIRCA Music Limited

Year ended 31 March 2010

We have audited the financial statements of CIRCA Music Limited for the year ended 31 March 2010 on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Section 16 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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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). 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 website 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 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern.

The Company has provided a guarantee to the Group's lender and as such is affected by the terms of the Group's banking facilities. The continued availability of existing bank facilities requires the Group to comply with the covenants set out in those bank facilities.

Maltby Investments Limited is the principal borrower within the Group. The ability of Maltby Investments Limited and the Group to continue as a going concern is dependent upon the continued availability of existing banking facilities, which require the Group to comply with the covenants set out in those facilities. The ability of the Group to comply with its covenants is dependent upon the outcome of the actions described in note 1, in particular the agreement of the Group's shareholders to the provision of equity cure funding on the basis described, as well as the Group's ability to generate earnings and cash flows substantially in line with its forecasts. However, as described in note 1, notwithstanding the conditional commitment received from the Group's shareholders to provide certain equity cure funding relating to the covenant test periods to 31 December 2010, there is no certainty that such funding will be sufficient to effect all the cures required in relating to those test periods. Furthermore, current indications are that further funds will be required from the Group's shareholders for cure payments in respect of test periods ending 2011. No agreement has been reached with the Group's shareholders for such further equity injections, nor is there certainty that such an agreement will eventually be reached, or will be reached within the time available under the Group's banking facilities.

Independent Auditors' Report to the Members of CIRCA Music Limited *(continued)*

Year ended 31 March 2010

Furthermore, a satisfactory funding agreement with the Trustees of the EMI Group Pension Fund still has yet to be reached. As described in note 1, should contributions to remove any deficit in the Fund be required prior to the expiry of the Group's existing banking facilities, it is expected that, absent agreement from the lender, funding for these contributions, which would be likely to be spread over a number of years, will need to be met by additional funds from the Group's shareholders. There is no certainty that such funds will be available.

These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 returns adequate for our audit have not been received from branches not visited by us, 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.



Hugh Green (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
London
EC4Y 8BB

30 September 2010

CIRCA Music Limited**Profit and Loss Account****Year ended 31 March 2010**

	Note	2010 £	2009 £
Turnover	2	15,839	37,486
Cost of sales		(12,556)	(51,014)
Gross profit/(loss)		<u>3,283</u>	<u>(13,528)</u>
Distribution costs		(280)	(1,253)
Administrative expenses		(371)	(2,890)
Operating profit/(loss), being profit/(loss) on ordinary activities before taxation	3	2,632	(17,671)
Tax on profit/(loss) on ordinary activities	6	—	—
Profit/(loss) on ordinary activities after taxation, being profit/(loss) for the financial year		<u>2,632</u>	<u>(17,671)</u>

The notes on pages 9 to 15 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 the results for the year as set out above

CIRCA Music Limited**Balance Sheet****At 31 March 2010**

	Note	2010 £	2009 £
Current assets			
Debtors	7	28,742	27,970
Creditors amounts falling due within one year	8	14,409	16,269
Net current assets		<u>14,333</u>	<u>11,701</u>
Total assets less current liabilities		<u>14,333</u>	<u>11,701</u>
Capital and reserves			
Called-up share capital	9	140,200	140,200
Profit and loss account	10	(125,867)	(128,499)
Shareholders' funds	10	<u>14,333</u>	<u>11,701</u>

The notes on pages 9 to 15 form part of these financial statements

These financial statements were approved by the directors and authorised for issue on 30 September 2010, and are signed on their behalf by



Director

Company Registration Number 1974699

JONATHAN CHANNON

CIRCA Music Limited

Notes to the Financial Statements

Year ended 31 March 2010

1. **Accounting policies**

Basis of preparation

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

Going Concern

The financial statements are prepared on a going concern basis. In preparing the financial statements on this basis the directors have taken account of the following matters

CIRCA Music Limited operates as part of the Maltby Capital Limited group ("the Group") and has provided a guarantee to the Group's lender, as such the Company is affected by the terms of the Group's banking facilities. The Group's lender has provided the Group with a number of banking facilities which are repayable from 2014 and 2015. The facilities include certain financial covenant tests which are performed quarterly in respect of rolling one year periods ending on 31 March, 30 June, 30 September and 31 December and certain other covenants and events of default. The breach of a covenant or occurrence of an event of default renders all of the facilities repayable on demand at the option of the lender. Maltby Investments Limited ('Maltby Investments Limited'), an indirect parent undertaking of the Company, is the principal borrower within the Group. Maltby Investments made the following disclosures within its financial statements for the year ended 31 March 2010, approved 11 August 2010, regarding going concern

"The operating performance of EMI has improved markedly over the period since its acquisition by its current shareholders. The Group's Profit before impairment and restructuring costs has increased from £143m for the financial year ended March 2009 to £192m for the financial year ended March 2010. The Group's Cash generated from operations has increased from £192m for the financial year ended March 2009 to £273m for the financial year ended March 2010. This represents a 34% increase in Profit before impairment and restructuring costs and a 42% increase in Cash generated from operations over the last financial year. This enhanced operational performance, together with equity injections provided to date by the shareholders of Maltby Capital Limited (the "ultimate shareholders"), means the Group is able to meet its ongoing working capital needs and its current debt service obligations under the facilities agreements to which the Company and a number of its subsidiaries are party. However, the banking facilities contain a financial covenant for each division based on Debt/EBITDA which has been tightening over the same period to a greater extent than can be covered by the improvement in the Group's performance (especially in the EMI Music division). The covenant steps down significantly each March year end making it progressively harder to achieve the required ratio.

The covenants are tested quarterly in respect of rolling one year periods ending on 31 March, 30 June, 30 September and 31 December. The breach of a financial covenant (or any other covenant or the occurrence of an event of default) renders all of the facilities repayable on demand at the option of the lender. As the financial covenant ratios have tightened over this period, shortfalls to the financial covenant have occurred and (due to the continued tightening of the financial covenants in future periods) are anticipated to occur going forward, notwithstanding the operational improvements. The requirement for further equity cures is discussed in more detail below.

The principal uncertainty for the Group is whether additional equity funding will be available in future periods to enable it to comply with the financial covenant under the banking facilities. Due to the sound operating performance of the business, the directors believe that it would be in the interests of the Group's lender to maintain the Group's business as a going concern and to minimise any disruption to its ongoing operations if the covenant were breached.

CIRCA Music Limited**Notes to the Financial Statements****Year ended 31 March 2010****1 Accounting policies (continued)****Going Concern (continued)**

In order to meet financial covenant tests in respect of several quarterly periods ended since 30 September 2008 the group applied funds originally provided by the ultimate shareholders under equity cure provisions within the banking facilities as follows

	2008	2009	2010
	£m	£m	£m
Quarter ended			
31 March		39.25	87.5
30 June		37.0	
30 September	16.0	nil	
31 December	12.75	nil	

The equity cure in relation to the quarter ended 31 March 2010 was effected on 10 June 2010 out of new equity raised from the ultimate shareholders of £78.1m together with £9.4m already held by Maltby Capital Limited ("Maltby Capital"). These equity cures were made to ensure that the EMI Music division remained compliant with the covenants relating to its financing facilities. No cure was required for the EMI Music Publishing division.

The financial statements are prepared on a going concern basis. In preparing the financial statements on this basis the directors have taken account of the following matters:

1 The Group meets its day to day working capital requirements and medium term funding requirements through its banking facilities which are repayable from 2014 and 2015. The directors have prepared base case trading and cash flow forecasts for a period in excess of one year from the date of approval of these financial statements which project that the total amount of each of the facilities is not exceeded. However, there are a number of risks attached to these projections including the current general economic climate, inherent risks that exist in the music market of market growth or decline varying from the rates expected and the nature of the Group's business is such that there can be considerable unpredictable variation in the timing of earnings and cash inflows if there is a change in the forecast release date for key projects.

2 The latest projections for the Group indicate that funds of up to £26.9m in aggregate will be required for cure purposes in respect of the 12 month test periods ending on 30 June 2010, 30 September 2010 and 31 December 2010. Maltby Capital has received a commitment from the ultimate shareholders to provide it with further injections up to this amount provided that (i) no "Default" under the Group's banking facilities is continuing at the time of injection and (ii) at least 3 business days' notice of the cure amount required is given by Maltby Capital to the ultimate shareholders. In turn, the Maltby Capital will make funds of up to £26.9m in aggregate available to the Company in relation to the test periods remaining in 2010, provided that (i) no "Default" under the Group's banking facilities is continuing at the time of injection, (ii) the provision of such funds would result in the financial covenants being complied with, and (iii) at least 5 business days' notice of the cure amount required is given by the Company to Maltby Capital. In agreeing the amount of funds to be committed, no headroom in excess of the expected level of further cure requirements for the three 12 month periods referred to above has been included and there are uncertainties associated with the forecasts and projections for the business which could result in earnings and cash flows being below their forecast levels without mitigating factors occurring. The Group has already factored into its projections assumptions around tight cash management over this period so as to minimise the quantum of cure payments it is required to make, so efforts to mitigate the impact of any trading shortfall by further cash conservation measures is likely to be challenging. There is therefore no certainty that the committed funds will be sufficient to effect any cures which are required in relation to periods ended up to 31 December 2010.

CIRCA Music Limited**Notes to the Financial Statements****Year ended 31 March 2010**

1 Accounting policies (continued)**Going Concern (continued)**

3. The directors continue to engage with Maltby Capital, the ultimate shareholders and debt provider to ensure continued operations. The current forecasts for the Group indicate that it is likely there will be a further significant shortfall when the covenants under its banking facilities are tested as at 31 March 2011. Current indications are that in the absence of other initiatives additional funds in an amount that could be substantially in excess of the total amount of equity cure payments provided by the ultimate shareholders to cure covenant breaches for test periods ended during the financial year to 31 March 2010 would be required from shareholders to fund the cure payment for the test period ending 31 March 2011. The directors have been exploring various strategic options which may be available to the Group but, even though the strategic options are expected to reduce the quantum of the further equity injection, they consider that it is unlikely that the financial covenants tested as at 31 March 2011 will be met without a further substantial equity injection. In addition further smaller cures may also be required in relation to the other test periods ending in 2011.

Accordingly the directors will need to engage, together with Maltby Capital, in discussions with the ultimate shareholders for additional funding in respect of the above as they did for the additional equity raised to cure the covenant for the test period ended 31 March 2010. However, there is no certainty that an agreement for further equity injections will be reached, or will be reached within the time available under the Group's banking facilities.

Consequently, should the conditions attached to the additional funding which the ultimate shareholders and Maltby Capital have undertaken to provide in relation to the June, September and December 2010 test periods not be met or should the consent of the ultimate shareholders to the provision of further equity cure funding required in respect of the test period ending 31 March 2011 not be forthcoming, or not be forthcoming within the applicable period, the outcome for the Group of a breach of financial covenants in respect of these periods would be dependent upon discussions with the Group's lender. This would also be the case if any equity cure funding provided by the ultimate shareholders was insufficient to prevent breaches of financial covenants in relation to subsequent test periods, and consent of the ultimate shareholders to any subsequent request for the provision of further equity cure funding was not forthcoming, or not forthcoming within the applicable period.

In these circumstances, the directors consider that it would be in the interests of the Group's lender to maintain the Group's business as a going concern and to minimise any disruption to its ongoing operations. In coming to this view, the directors have taken account of the improvement in the Group's operating cashflow, which means that based on current forecasts the Group has sufficient cash flow to meet its current debt service obligations under its banking facilities absent any breach of covenants which would render all facilities repayable on demand at the option of the lender.

The directors also recognise that existing forecasts indicate further significant shortfalls in respect of the covenant test periods to the end of March in each year until the facilities expire in 2014 and 2015.

The directors are aware of the ongoing litigation in respect of certain matters relating to the acquisition of the Company's subsidiary, EMI Group Limited (formerly EMI Group plc) between, amongst others, shareholders of Maltby Capital and the Group's lender. Neither Maltby Capital, the Company nor any other members of the Group is party to these proceedings.

EMI Group Limited has been in discussions with the Trustee of the EMI Group Pension Fund regarding the cash contributions under the scheme funding regime. Agreement has not been able to be reached regarding a long-term funding policy for the Fund and absent such agreement the Pensions Regulator has referred the matter to the Determinations Panel for resolution. The Group's current lending arrangements require the deficit existing at the date of acquisition of EMI Group Limited to be met by additional equity investment. Under proposals put forward to the Determinations Panel, the scheme funding deficit could fall somewhere in a range between £115 million and £217 million based on a valuation at 31 March 2008.

CIRCA Music Limited

Notes to the Financial Statements

Year ended 31 March 2010

1. Accounting policies (continued)

Going Concern (continued)

Absent any prior agreement with the Trustees, the size of this deficit and the number of years over which the deficit is removed will be resolved by the Determinations Panel "

The directors have concluded that the combination of these circumstances represents a material uncertainty that may cast significant doubt upon the ability of the Company to continue as a going concern. The Company may therefore be unable to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern due to a withdrawal of the Group's banking facilities by the Group's lender.

Nevertheless, after making enquiries and considering the uncertainty described above, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

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 statement.

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. Turnover 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.

CIRCA Music Limited**Notes to the Financial Statements****Year ended 31 March 2010****1 Accounting policies (continued)****Debtors - royalty advances**

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

2. Turnover

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

An analysis of turnover by geographical market is given below

	2010 £	2009 £
United Kingdom	8,464	17,056
Rest of Europe	3,623	10,833
USA	1,832	5,848
Rest of the world	1,920	3,749
	<u>15,839</u>	<u>37,486</u>

3. Profit/(loss) before tax on ordinary activities

	2010 £	2009 £
Operating profit/(loss) on ordinary activities before tax is stated after charging		
Auditors' remuneration - audit of these financial statements	500	1,640

In the current year the auditors' remuneration has been borne by another group company, EMI Music Publishing Limited. 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.

Management charges of £650 (2009 £2,503) have been split between distribution costs and administrative expenses in the profit and loss account.

4. Directors' emoluments

Remuneration for services provided by Roger Faxon has been borne by EMI Blackwood Music Inc. in the current year and has been presented within that Company's financial statements.

Remuneration for services provided by all other directors has been borne by EMI Music Publishing Limited and has been presented within that Company's financial statements.

The directors do not believe that it is practicable to apportion their remuneration between their services as directors of the company and their services as directors of EMI Music Publishing Limited and fellow subsidiary undertakings.

5. Staff costs

The company had no employees (2009 none)

CIRCA Music Limited**Notes to the Financial Statements****Year ended 31 March 2010****6. Tax on profit/(loss) on ordinary activities**

	2010	2009
	£	£
UK corporation tax		
UK corporation tax on income for the period	737	(4,948)
Tax losses brought forward	(737)	4,948
	<u>—</u>	<u>—</u>
Foreign tax		
Current tax on income for the period	—	—
Adjustments in respect of previous periods	—	—
	<u>—</u>	<u>—</u>
Total current tax charge	—	—
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>—</u>

	2010	2009
	£	£
Factors affecting current tax charge		
(Loss)/Profit on ordinary activities before tax	2,632	(17,671)
Current tax at 28% (2009 - 28%)	737	(4,948)
Effect of		
Tax losses brought forward	(737)	4,948
	<u>—</u>	<u>—</u>
Total current tax charge	<u>—</u>	<u>—</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 carried forward of £15,048 (2009 £17,680) available to offset against future profits.

7 Debtors

	2010	2009
	£	£
Amounts owed by group companies account	25,164	24,623
Advances	3,578	3,347
	<u>28,742</u>	<u>27,970</u>

CIRCA Music Limited**Notes to the Financial Statements****Year ended 31 March 2010****8 Creditors: amounts falling due within one year**

	2010 £	2009 £
Trade creditors	<u>14,409</u>	<u>16,269</u>

**9. Share capital
Authorised share capital.**

	2010 £	2009 £
140,200 Ordinary shares of £1 each	<u>140,200</u>	<u>140,200</u>

Allotted, called up and fully paid:

	2010 No	£	2009 No	£
140,200 Ordinary shares of £1 each	<u>140,200</u>	<u>140,200</u>	<u>140,200</u>	<u>140,200</u>

10 Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 April 2009	140,200	(128,499)	11,701
Loss for the year	-	2,632	2,632
At 31 March 2010	<u>140,200</u>	<u>(125,867)</u>	<u>14,333</u>

11. Charge over assets

CIRCA Music 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

12 Ultimate parent company

At 31 March 2010, the Company's immediate parent company was EMI Music Publishing Finance (UK) 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