

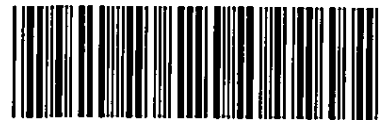
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# **Widgeon Investments Limited**

## **Report and Financial Statements**

31 January 2009

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COMPANIES HOUSE

# Widgeon Investments Limited

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Registered No. 2415283

## **Directors**

H L Gerrard  
J G Hemingway  
B V Grakal

## **Secretary**

G D Hill

## **Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

## **Registered Office**

90 Jermyn Street  
(1st Floor)  
London SW1Y 6JD

## Directors' report

The directors present their report and financial statements for the year ended 31 January 2009.

### Results and dividends

The profit for the year amounted to £1,469,893. A dividend of £2,050,000 was paid during the year. The directors do not recommend a final dividend.

### Principal activity

The principal activity of the company during the year was that of a holding and investment company.

### Directors

The directors who served the company during the year were as follows:

H L Gerrard  
J G Hemingway  
B V Grakal

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

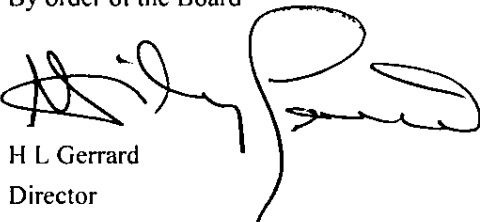
### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

### Small company provisions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

By order of the Board



H L Gerrard  
Director

25 NOV 2009

## Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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; 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 proper accounting records that 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.

# **Independent auditor's report**

## **to the members of Widgeon Investments Limited**

We have audited the company's financial statements for the year ended 31 January 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

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 United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 directors' report 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 directors' report 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 judgments 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.

# Independent auditor's report

to the members of Widgeon Investments Limited (continued)

## Opinion

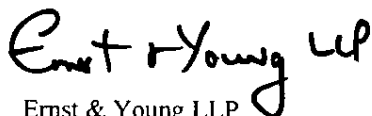
In our opinion:

- 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 31 January 2009 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 Directors' Report is consistent with the financial statements.

## Qualified opinion arising from disagreement as to the adequacy of a disclosure in the financial statements

As explained in note 6, the aggregate cost of the investment in subsidiary and associated undertakings has not been apportioned between these two categories and separately disclosed. This is not in accordance with the requirements of Schedule 4 to the Companies Act 1985.

Except for the absence of the information concerning investments described above, in our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2009 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered auditor  
London

27 NOV 2009

**Profit and loss account**

for the year ended 31 January 2009

		2009	Restated 2008
	Notes	£	£
Administrative expenses		(26,817)	(30,925)
<b>Operating loss</b>	2	(26,817)	(30,925)
Income from investments		1,400,000	8,802,817
Interest receivable	4	60,666	150,006
<b>Profit on ordinary activities before taxation</b>		1,433,849	8,921,898
Tax on profit on ordinary activities	5	36,044	(29,124)
<b>Profit for the financial year</b>		1,469,893	8,892,774

## Balance sheet

at 31 January 2009

	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Investments	6	15,000,020	15,000,020
<b>Current assets</b>			
Debtors	7	448	1,218,461
Cash at bank		35,758	268,214
		36,206	1,486,675
<b>Creditors: amounts falling due within one year</b>	8	(382,956)	(1,253,322)
<b>Net current (liabilities)/assets</b>		(346,750)	233,353
<b>Total assets less current liabilities</b>		14,653,270	15,233,373
<b>Capital and reserves</b>			
Called up share capital	9	14,500,000	14,500,000
Profit and loss account	10	153,270	733,373
<b>Equity shareholders' funds</b>		14,653,270	15,233,373

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.



H L Gerrard  
Director

25 NOV 2009



## Notes to the financial statements

at 31 January 2009

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with the special provisions of Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

#### *Going concern*

The financial statements have been prepared on a going concern basis. The directors believe the going concern to be appropriate as the company will be funded by dividends from its subsidiary undertaking and group relief receipts, which will enable it to meet its liabilities as and when they fall due.

#### *Group financial statements*

Group financial statements have not been prepared as the company is entitled to the exemption conferred by section 248 of the Companies Act 1985. Consequently these financial statements only include information about the company as an individual undertaking and not about the group.

#### *Fixed assets*

All fixed assets are initially recorded at cost.

#### *Investments*

Investments are stated at cost less provision for any impairment in value.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *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.

#### *Dividends payable*

The company recognises dividends in the financial statements when either paid or declared during the financial year. In accordance with FRS 25, equity dividends are now taken direct to reserves.

## Notes to the financial statements

at 31 January 2009

### 2. Operating loss

This is stated after charging:

	2009	2008
	£	£
Auditor's remuneration – audit services	10,000	10,000

### 3. Directors' remuneration

There were no employees other than the directors during the year. None of the directors received any remuneration for their services (2008 – £nil).

Legal and professional fees totalling £5,750 (2008 – £6,270) for the year have been rendered by a firm in which one of the directors, Mr J G Hemingway, has a material interest.

### 4. Interest receivable

	2009	2008
	£	£
Bank interest receivable	6,436	16,904
Other interest receivable	54,230	133,102
	60,666	150,006

### 5. Tax

(a) Tax on profit on ordinary activities

	2009	2008
	£	£
<i>Current tax:</i>		
Current tax	7,052	–
Group relief	–	35,724
Adjustment in respect of prior years	(43,096)	–
Group relief adjustment in respect of prior years	–	(6,600)
	(36,044)	29,124

## Notes to the financial statements

at 31 January 2009

### 5. Tax (continued)

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28.33% (2008 – 30%). The differences are reconciled below:

	2009	Restated 2008
	£	£
Profit on ordinary activities before taxation	1,433,849	8,921,898
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.33% (2008 – 30%)	406,209	2,676,569
Prior year adjustment	(43,096)	–
Non taxable income	(396,620)	(2,640,845)
Small companies' relief	(2,537)	–
Group relief adjustment in respect of prior years	–	(6,600)
Total current tax (note 5(a))	(36,044)	29,124

### 6. Investments

	Subsidiary undertaking and associated undertaking £
Cost:	
At 31 January 2008 and 31 December 2009	15,000,020

The directors are satisfied that the aggregate value of the investment in subsidiary and associated undertakings is not less than the aggregate of the amounts at which those assets are stated in the company's balance sheet.

The aggregate cost of the investment in subsidiary and associated undertakings has not been apportioned between subsidiary undertaking and associated undertaking and separately disclosed.

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
<b>Subsidiary undertaking:</b>			
Startling Music Limited	Ordinary shares	100%	Music publishing, provision of promotional services and related activities

## Notes to the financial statements

at 31 January 2009

### 6. Investments (continued)

**Associated undertaking:**

Apple Corps Limited	Ordinary shares	25%	Exploitation of musical copyrights
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The following information is relevant to the subsidiary and associated undertakings based on their last set of published financial statements, or latest available information:

	<i>Apple Corps Limited Year ended 31 January 2009 £</i>	<i>Startling Music Limited Year ended 31 January 2009 £</i>
Profit/(loss) for the year after tax	4,239,278	(41,415)
Aggregate capital and reserves	<u>25,940,905</u>	<u>384,957</u>
<b>7. Debtors</b>		
	<i>2009 £</i>	<i>2008 £</i>
Other debtors	448	1,218,461
<b>8. Creditors: amounts falling due within one year</b>		
	<i>2009 £</i>	<i>2008 £</i>
Corporation tax payable	35,506	35,724
Amounts owed to group undertaking	39,869	38,757
Group relief payable	–	35,826
Other creditors	299,796	1,131,791
Accruals and deferred income	7,785	11,224
	<u>382,956</u>	<u>1,253,322</u>

# Notes to the financial statements

at 31 January 2009

## 9. Authorised and issued share capital

		2009	2008	
<i>Authorised</i>		£	£	
Ordinary shares of £1 each		15,000,000	15,000,000	
Allotted, called up and fully paid				
<i>Allotted, called up and fully paid</i>		2009	2008	
	<i>No.</i>	£	<i>No.</i>	£
Ordinary shares of £1 each	14,500,000	14,500,000	14,500,000	14,500,000

## 10. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 31 January 2007	14,500,000	643,416	15,143,416
Profit for the year	–	8,892,774	8,892,774
Dividend paid	–	(8,802,817)	(8,802,817)
At 31 January 2008	14,500,000	733,373	15,233,373
Profit for the year	–	1,469,893	1,469,893
Dividend Paid	–	(2,050,000)	(2,050,000)
At 31 January 2009	14,500,000	153,270	14,653,270

The comparative numbers in respect of the year ended 31 January 2008 have been restated to reflect the receipt of a dividend amounting to £8,802,817 and the payment of the same amount during that year. No restatement to the balance sheet was required.

## Notes to the financial statements

at 31 January 2009

### 11. Related party transactions

The company was recharged certain administrative expenses by its subsidiary undertaking, Startling Music Limited, during the year amounting to £8,255 (2008 – £8,225). During the year £ nil (2008 – £2,547) was advanced by Startling Music Limited. This is outstanding at the year end and included in creditors.

At the balance sheet date an amount of £nil (2008 – £1,207,244) is outstanding with Apple Corps Limited and is included within other creditors. This loan was repaid in full during the year and resulted in an exchange gain of £457,457.

Interest of £54,230 (2008 – £133,102) was charged to Apple Corps Limited on this loan, of which £nil (2008 – £11,094) is outstanding and included in other debtors.

### 12. Ultimate parent undertaking

The ultimate parent undertaking is Devon Holdings Limited, a company incorporated in the Bahamas.

The company's immediate parent undertaking is Belfry Investments Ltd, a company incorporated in The British Virgin Isles.