

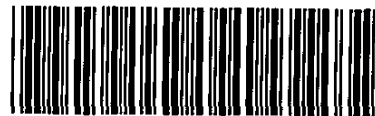
SEPTEMBER SONGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Company number 03087069

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September Songs Limited

Financial statements for the year ended 31 December 2011

Company registration number	03087069
Registered office	One Amenca Square Crosswall London EC3N 2SG
Director	D I S Green
Secretary	J Bottomley
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Solicitors	Addleshaw Goddard Milton Gate 60 Chiswell Street London EC1Y 4AG
Auditors	BDO LLP Bridgewater House Finzels Reach Counterslip Bristol BS1 6BX

September Songs Limited

Financial statements for the year ended 31 December 2011

Contents	Page
Director's report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

September Songs Limited

Director's report for the year ended 31 December 2011

The director presents his report and the audited financial statements of the company for the year ended 31 December 2011

Principal activities

The company's principal activity during the year was the production and publishing of musical compositions

Change of accounting reference date

During the period to 31 December 2010, the accounting reference date (ARD) was changed from 30 June to 30 December. Under the Companies Act 2006, accounts can be made up to a date within 7 days of the ARD. The directors have therefore selected 31 December as the year end date. The financial statements shown for 2011 are for the year 1 January 2011 to 31 December 2011. Comparative figures are for the period 1 July 2009 to 31 December 2010, a period of 18 months.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The director does not propose to recommend the payment of a dividend.

Directors

The directors who held office during the year and subsequently are given below:

D I S Green

J J McIntosh (resigned 28 July 2011)

Statement of director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law, the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 year. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

September Songs Limited

Director's report for the year ended 31 December 2011

Disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he 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 auditor is aware of that information

Auditors

The auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies

By order of the Board

D I S Green
Director



28 May 2012

September Songs Limited

Independent auditors' report to the members of September Songs Limited

We have audited the financial statements of September Songs Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 Part 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 director and auditors

As explained more fully in the statement of director's responsibilities, the director is 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 and express an opinion on 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/private.cfm.

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 December 2011 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 modified, we have considered the adequacy of the disclosures made in note 1 to the Financial Statements concerning the Company's ability to continue as a going concern.

The company is dependent upon the support of its ultimate parent company, DCD Media PLC ('The Group'). The Group's convertible loan notes become payable in November 2012. The Directors have entered into negotiations with these note holders and are confident that the note holders will not demand cash repayment within the next 12 months. Negotiations are currently ongoing and no guarantee exists that cash repayment will not be demanded.

These conditions indicate the existence of material uncertainties which may cast significant doubt upon the Group's, and therefore the Company's, ability to continue as a going concern. The Financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

September Songs Limited

Independent auditors' report to the members of September Songs 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, 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



Simon Brooker (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
Bridgewater House
Finzels Reach
Counterslip
Bristol
BS1 6BX
United Kingdom

28 May 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

September Songs Limited**Profit and loss account for the year ended 31 December 2011**

	Note	Year to 31 December 2011 £	18 month period to 31 December 2010 £
Turnover	3	106	320
Cost of sales		-	-
Gross profit		106	320
Administrative expenses		(45)	(8,382)
Operating profit/(loss)	4	61	(8,062)
Interest receivable and similar income	5	1	16
Operating profit/(loss) on ordinary activities before tax		62	(8,046)
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) for the financial year	11	62	(8,046)

All amounts relate to continuing activities

All recognised gains and losses in the current year and prior period are included in the profit and loss account

The accompanying accounting policies and notes on pages 7 to 10 form an integral part of these financial statements

September Songs Limited

Balance sheet as at 31 December 2011

Company number 03087069

	Note	31 December 2011 £	31 December 2010 £
Current assets			
Debtors	8	2,564	-
Cash at bank and in hand		107	2,592
		2,671	2,592
Creditors amounts falling due within one year	9	(17)	-
Net current assets		2,654	2,592
Total assets less current liabilities		2,654	2,592
Net assets		2,654	2,592
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	2,653	2,591
Shareholders' funds		2,654	2,592

The financial statements on were approved by the board of directors on 28 May 2012 and were signed on its behalf by



D I S Green
Director

The accompanying accounting policies and notes on pages 7 to 10 form an integral part of these financial statements

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards

Change of accounting reference date

During the period to 31 December 2010, the accounting reference date (ARD) was changed from 30 June to 30 December. Under the Companies Act 2006, accounts can be made up to a date within 7 days of the ARD. The directors have therefore selected 31 December as the year end date. The financial statements shown for 2011 are for the year 1 January 2011 to 31 December 2011. Comparative figures are for the period 1 July 2009 to 31 December 2010, a period of 18 months.

Going concern

The Company ('the Company') is included within DCD Media Plc's ('the Group') group financing arrangements. The Group's borrowings are secured over the assets of the Group as a whole and therefore any consideration of going concern should consider that of the whole group and not the Company alone.

The Company is dependent on the support of its ultimate parent company, DCD Media Plc (the 'Group'). The Group has confirmed it will not seek repayment of any intercompany balances under normal circumstances. The Group has confirmed that it will continue to provide such financial and other support as the company requires to continue in operation and meet its liabilities as they fall due for the foreseeable future, and in any event for a period of not less than one year from the date of signing of their statutory financial statements.

The Group's day-to-day operations are funded from cash generated from trading and the use of an overdraft facility of £0.75m, with other activities funded from a combination of equity and short and medium term debt instruments. In considering the going concern basis of preparation of the Group's financial statements, the Board have prepared profit and cash flow projections which incorporate reasonably foreseeable impacts of the ongoing challenging economic environment. These projections reflect the ongoing management of the day to day cash flows of the Group which includes assumptions on the profile of payment of certain existing liabilities of the Group. They show that the day to day operations will continue to be cash generative which will underpin the Group's stability and enable management to continue to focus the Group's activities into profitable production development. The forecasts show that the Group will continue to utilise its term loan and overdraft facility provided by its principal bankers for the foreseeable future.

As at the 31 December 2011 the Group had a term loan of £1.0m which is due for repayment on 28 November 2012. The Group has repaid £0.25m of this term loan in the post year end period and the current outstanding balance is £0.75m. The term loan is currently under review and being renegotiated with the Group's principal bankers, with a view to changing the repayment period to one greater than 18 months. The Group's bankers have indicated that it is their intention to agree new terms. The Group's overdraft facility has also recently been extended by its principal bankers until 30 November 2012. Accordingly, the Directors have a reasonable expectation that both the term loan and the overdraft facility will continue to be available to the Group for the foreseeable future.

On 28 November 2012, convertible debt, totalling £4.3m of principal loan and cumulative interest as at 31 December 2011, is due to become payable. Timeweave Plc acquired £31m of this convertible debt on 8 February 2012. Timeweave Plc converted £0.6m of the convertible debt on 18 April 2012 to acquire a 29.99% holding in the Company. The Directors of the Group have been, and continue to be, in discussions with the Directors of Timeweave to understand their intentions and are working with Timeweave on a proposal for Timeweave to reduce, or negate, the impact of the repayment of the convertible debt in November 2012. There remains, however, a material uncertainty that the Group may not be able to repay in cash the convertible debt on 28 November 2012 as it arises, if discussions with Timeweave result in a withdrawal of their support.

The Group Board remain positive about the resilience of the Group despite the pressures from the current economic conditions and those outlined above. The Group Directors forecasts and projections, which make allowance for reasonably possible changes in its trading performance, show that, with the ongoing support of its lenders and its bank, the Group can continue to generate cash to meet their obligations as they fall due.

Through the recent negotiations with its shareholders, its loan note holders and its principal bankers, the Directors of the Group, after making enquiries, have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors of the Company continue to adopt the going concern basis in preparing the annual report and the accounts of the Company. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Turnover

Turnover represents royalty income receivable and monies for library music during the period. All turnover excludes value added tax.

September Songs Limited

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies (continued)

Current tax

Tax losses are surrendered around the group for no consideration

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

2 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of DCD Media plc and is included in the consolidated financial statements of DCD Media plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with wholly owned entities that are part of DCD Media plc group. For details of other related party transactions see note 12.

3 Turnover

The turnover and operating profit/(loss) are attributable to the principal activity of the company. All turnover arose in the United Kingdom.

4 Operating profit/(loss)

Auditors' remuneration has been borne by the ultimate parent company.

5 Interest receivable and similar income

	Year to 31 December 2011 £	18 month period to 31 December 2010 £
On cash at bank	1	16
	1	16

6 Directors and employees

Staff costs during the year including directors were £nil (2010: £nil).

There were no employees in both the current year and prior period.

No amounts were paid to directors in respect of remuneration in both the current year and prior period.

7 Tax on profit/(loss) on ordinary activities

	Year to 31 December 2011 £	18 month period to 31 December 2010 £
The tax charge represents		
Corporation tax		-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.49% (2010: 28%)	16	(2,253)
Effects of		
Group relief surrendered	289	2,253
Trading losses utilised	(305)	-
Current tax charge	-	-

September Songs Limited

Notes to the financial statements for the year ended 31 December 2011

7 Tax on profit/(loss) on ordinary activities (continued)

A deferred tax asset of approximately £3,820 (2010 £4,973) arising principally from losses in the company has not been recognised. The directors believe that it is prudent not to recognise the deferred tax asset within the financial statements as there is uncertainty over future taxable profit being available against which temporary differences can be utilised.

8 Debtors

	31 December 2011 £	31 December 2010 £
Other debtors	2,564	-
	2,564	-

All debtors fall due for payment within one year.

9 Creditors amounts falling due within one year

	31 December 2011 £	31 December 2010 £
Social securities and taxes	17	-
	17	-

10 Share capital

	31 December 2011 £	31 December 2010 £
Allotted, called up and fully paid 1 ordinary shares of £1 each	1	1

11 Reserves

	Profit and loss reserve £
At 1 January 2011	2,591
Profit for the financial year	62
At 31 December 2011	2,653

12 Transactions with directors and other related parties

There were no transactions with directors or related parties during the current year or the prior period.

As a subsidiary of its ultimate parent company, DCD Media plc, the company is exempt from the requirements of Financial Reporting Standard No 8 to disclose transactions with other members of the group headed by DCD Media plc.

13 Ultimate parent undertaking

The immediate parent company is September Films Limited, a company registered in the United Kingdom.

The directors consider the ultimate parent undertaking and controlling undertaking of this company to be DCD Media plc.

DCD Media plc is the only company that prepares group financial statements that consolidate the results of the company.

Copies of the group financial statements can be obtained from that company's registered office.

September Songs Limited

Notes to the financial statements for the year ended 31 December 2011

14 Post balance sheet events

Convertible Loan Notes

On 8 February 2012 Timeweave Plc acquired £3 068m of convertible loan notes in DCD Media plc. The loan notes were purchased from Gartmore Smaller Companies Trust, Standard Life UK Smaller Companies Trust, Barnard Nominees, Universities Superannuation Scheme, Rockmore Investment Master Fund, Artemis Investment Management and Henderson Global Investors.

All of the acquired loan notes have a maturity date of 28 November 2012 and £2 093m of the loan notes are convertible into ordinary shares in DCD Media plc at 18p and £975,000 of the loan notes are convertible into ordinary shares in DCD Media at 1p.

On 18 April 2012, Timeweave plc converted £595,750 in principal of its convertible loan notes into 59,575,000 ordinary shares of 1p each in the share capital of the Company. Following the conversion, Timeweave plc had 59,575,000 Ordinary shares representing 29.99% of the Company's issued share capital as enlarged by the conversion.

The total number of Ordinary shares in issue following the conversion is 198,670,283.