

3 287591

**MSFC LIMITED**

**Report and Financial Statements**

**31 JULY 2007**

THURSDAY



A37 \*A8Q1JZXO\* 247  
22/05/2008  
COMPANIES HOUSE

**MSFC LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
31 July 2007

<b>CONTENTS</b>	<b>Page</b>
Company information	1
Directors' report	2
Statement of Directors' responsibilities	3
Report of the auditors to the members of MSFC Limited	4
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes	9

**MSFC LIMITED**  
**COMPANY INFORMATION**  
31 July 2007

<b>Full name of company:</b>	MSFC Limited
<b>Company registration number:</b>	3287591
<b>Directors:</b>	Eric Nicol CBE John Deacon Janie Orr
<b>Secretary:</b>	Mawlaw Secretaries Limited
<b>Registered office:</b>	27 Wrights Lane London W8 5SW
<b>Bankers:</b>	Barclays Bank plc Hammersmith London W6 9HY
<b>Auditors:</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

**MSFC LIMITED**  
**DIRECTORS' ANNUAL REPORT**  
31 July 2007

The directors present the statutory report with the financial statements of MSFC Limited for the year ended 31 July 2007

**Incorporation and change of accounting reference date**

The company was incorporated on 4 December 1996

**State of affairs of the company**

In the year to 31 July 2007, MSFC Limited made a profit of £1,393 (2006 profit £2,646 )

**Principal activity**

The company is the wholly owned subsidiary of EMI Music Sound Foundation and as such operates in support of the Charity by fundraising and undertaking trading activities which are outside the Charity's objects MSFC Limited has entered into a deed of covenant whereby it covenants its taxable profits to EMI Music Sound Foundation

**Future developments**

It is intended that the company should continue to be available to complement the work of EMI Music Sound Foundation

**Directors**

The directors who served during the period were:

Eric Nicol CBE  
John Deacon  
Janie Orr

Approved by the Directors on

16.5.08

and signed by



Director

**MSFC LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

**31 July 2007**

Company law requires the directors to prepare financial statements for each financial year which 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 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, 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 maintaining proper accounting records which 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 1985. The directors are responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Director is aware, there is no relevant audit information (as defined in S244ZA(3) of the Companies Act 1985) 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, and to establish that the auditors are aware of, any relevant audit information.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MSFC LIMITED**

We have audited the company's financial statements for the year ended 31 July 2007 which comprise the Profit and Loss Account, the Balance Sheet and the Cash Flow Statement and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

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 Annual Report and 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **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.

### **Opinion**

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 July 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP

Registered auditor

London

Date 16 May 2008

**MSFC LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2007**

	Notes	31 July 2007 £	31 July 2006 £
Turnover		9,424	4,665
Cost of sales		(8,330)	(2,123)
<b>GROSS PROFIT</b>		<u>1,094</u>	<u>2,542</u>
Administrative expenses	4, 5	-	30
<b>OPERATING PROFIT / (LOSS)</b>		<u>1,094</u>	<u>2,572</u>
Finance income	3	99	74
<b>PROFIT ON ORDINARY ACTIVITIES</b>		<u>1,193</u>	<u>2,646</u>
Covenant payment to parent charity		(1,193)	(2,646)
<b>TRANSFER TO RESERVES</b>		<u><u>-</u></u>	<u><u>-</u></u>

All operations are continuing

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There were no other recognised gains and losses during the year other than the retained profit of £Nil (2006 Nil)



# MSFC LIMITED

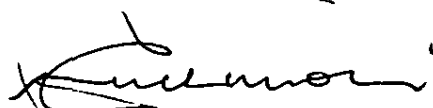
## BALANCE SHEET

	Notes	31 July 2007 £	31 July 2006 £
<b>CURRENT ASSETS</b>			
Short term deposits		4,721	4,622
Debtors		907	-
Cash		4,062	3,050
		<u>9,690</u>	<u>7,672</u>
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
	7	<u>(9,689)</u>	<u>(7,671)</u>
		(9,689)	(7,671)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>1</u>	<u>1</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	9	1	1
Profit and loss account		-	-
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
	6	<u>1</u>	<u>1</u>

Approved by the directors on

16.5.08

and signed by

  
Director

# MSFC LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2007

	Notes	£	31 July 2007 £	31 July 2006 £
Net cash outflow from operating activities	1		1,012	2,542
Returns on investments and servicing of finance				
Interest received		99	74	
Net cash inflow from returns on investments and servicing of finance			99	74
Capital expenditure and financial investment				
Net acquisition of short term deposits		(99)	(74)	
Net cash outflow from capital expenditure and financial investment			(99)	(74)
Increase / (decrease) in cash			1,012	2,542

## NOTES TO THE CASH FLOW STATEMENT

### 1 Reconciliation of operating loss to net cash outflow from operating activities

	Year ended 31 July 2007 £	Year ended 31 July 2006 £
Operating profit	1,094	2,572
Covenant to parent charity	(1,193)	(2,646)
Increase / (decrease) in creditors	2,018	2,616
(Increase) / decrease in debtors	(907)	-
	1,012	2,542

### 2 Analysis of changes in cash and short term deposits during the year

	At 1 August 2006	Cash flow	At 31 July 2007
Cash at bank and in hand	3,050	1,012	4,062
Short term deposits	4,622	99	4,721
	7,672	1,111	8,783

**MSFC LIMITED**  
**NOTES TO THE ACCOUNTS**  
at 31 July 2007

**1 ACCOUNTING POLICIES**

The financial statements have been prepared under the historic cost convention, on a going concern basis and in accordance accounting standards applicable in the UK. The principal accounting policies adopted are as follows

Turnover

Turnover represents the invoiced value of goods and services supplied by the company. Turnover excludes value added tax.

**2 TAXATION**

The company is a wholly owned subsidiary of the EMI Music Sound Foundation (charity registration number 5062390) and has entered into a deed of covenant whereby it covenants its taxable profits to the EMI Music Sound Foundation.

**3 FINANCE INCOME**

	31 July 2007 £	31 July 2006 £
Bank interest receivable	99	74

**4 FEES TO AUDITORS**

	31 July 2007 £	31 July 2006 £
Audit fees	-	-

**5 DIRECTORS' AND EMPLOYEES' COSTS**

	31 July 2007 £	31 July 2006 £
Wages and salaries	-	-
Social security costs	-	-
	<hr/>	<hr/>
	-	-

The Directors were not remunerated (2006 £nil)

**MSFC LIMITED**  
**NOTES TO THE ACCOUNTS**  
at 31 July 2007

**6 RECONCILIATION OF SHAREHOLDERS FUNDS**

	Share capital	Profit and loss account	Total funds
	£	£	£
At 1 August 2006	1	-	1
Profit for the year	-	-	-
At 31 July 2007	<u>1</u>	<u>-</u>	<u>1</u>

**7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 July 2007 £	31 July 2006 £
Amounts owed to parent undertaking	9,689	7,671

**8 RELATED PARTY TRANSACTIONS**

Janie Orr is an employee of EMI Group Ltd (formerly EMI Group plc)

**9 SHARE CAPITAL**

	Authorised		Alloted, called up and fully paid	
	2007	2006	2007	2006
	No	No	£	£
Ordinary shares of £1 each	1,000	1,000	<u>1</u>	<u>1</u>