

MSFC LIMITED

Report and Accounts

31 March 2002



MSFC LIMITED
REPORT AND ACCOUNTS
31 March 2002

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MSFC LIMITED
COMPANY INFORMATION
31 March 2002

Full name of company:	MSFC Limited
Company registration number:	3287591
Director:	Rupert Perry
Secretary:	Mawlaw Secretaries Limited
Registered office:	4 Tenterden Street Hanover Square London W1A 2AY
Bankers:	Barclays Bank plc 75 King Street Hammersmith London W6 9HY
Auditors:	Ernst & Young LLP Becket House 1 Lambeth Palace Road London SE1 7EU

MSFC LIMITED
DIRECTORS' ANNUAL REPORT
31 March 2002

The director presents the statutory report with the accounts of MSFC Limited for the year ended 31 March 2002.

Incorporation

The company was incorporated on 4 December 1996.

State of affairs of the company

In the year to 31 March 2002, MSFC Limited made a profit of £54 (2001: profit £69).

Principal activities

The company is the wholly owned subsidiary of The 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 The Music Sound Foundation.

Future developments

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

Director

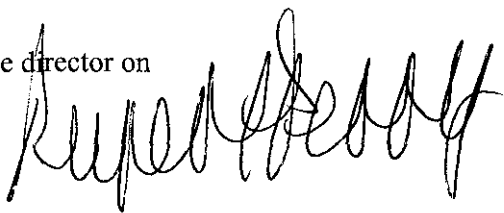
The director at 31 March 2002 was as follows:

Rupert Perry

Auditors

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

Approved by the director on



22/1/03

and signed by

Director

MSFC LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

31 March 2002

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those accounts, the director is required to:

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MSFC LIMITED

We have audited the company's financial statements for the year ended 31 March 2002, which comprise the Statement of Financial Activities, Balance Sheet and related notes 1 to 8. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards

This report has been prepared for the members of the company pursuant to Section 235 of the Companies Act 1985 (the "Act") and for no other purpose. No other person is entitled to rely on this report unless such person:

- i) is a person who is entitled to rely on this report by virtue of and for the purpose of the Act; or
- ii) has been expressly authorised to do so by our written consent

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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 judgements 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 of the state of affairs of the company as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

EA K Y LLP

Ernst & Young LLP
Registered Auditor
London

24th June 2003

MSFC LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002**

	Notes	2002 £	2001 £
Turnover		-	-
Cost of sales		-	-
GROSS PROFIT		<hr/> -	<hr/> -
Administrative expenses	4, 5	(41)	(41)
Other operating income	2	-	-
OPERATING PROFIT		<hr/> (41)	<hr/> (41)
Finance income	3	95	110
PROFIT ON ORDINARY ACTIVITIES		<hr/> 54	<hr/> 69
Covenant payment to parent charity		(54)	(69)
TRANSFER TO RESERVES		<hr/> <hr/> -	<hr/> <hr/> -

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no other recognised gains and losses during the year (2001: Nil).

MSFC LIMITED

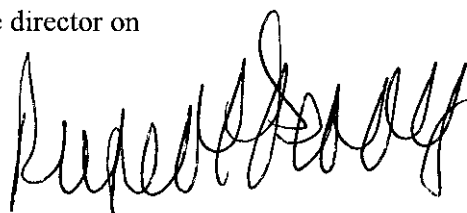
BALANCE SHEET - 31 MARCH 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Short term deposits		4,411	4,316
Cash		<u>596</u>	<u>637</u>
		5,007	4,953
CURRENT LIABILITIES: CREDITORS			
AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	7	<u>(5,006)</u>	<u>(4,952)</u>
		(5,006)	(4,952)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1</u></u>	<u><u>1</u></u>
CAPITAL AND RESERVES			
Share capital		1	1
Profit and loss account		-	-
	6	<u><u>1</u></u>	<u><u>1</u></u>

Approved by the director on

22/1/03

and signed by



Director

MSFC LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	£	2002 £	£	2001 £
Net cash outflow from operating activities	1		(41)		(29,041)
Returns on investments and servicing of finance:					
Interest received		95		110	
Net cash inflow from returns on investments and servicing of finance			95		110
Capital expenditure and financial investment:					
Net acquisition of short term deposits		(95)		(110)	
Net cash outflow from capital expenditure and financial investment			(95)		(110)
Decrease increase in cash	2		(41)		(29,041)

NOTES TO THE CASH FLOW STATEMENT

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

	2002 £	2001 £
Operating profit	(41)	(41)
Covenant to parent charity	(54)	(69)
Increase / (decrease) in creditors	54	(28,931)
	(41)	(29,041)

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

	At 1 April 2001	Cash flow	At 31 March 2002
Cash at bank and in hand	637	(41)	596
Short term deposits	4,316	95	4,411
	4,953	54	5,007

MSFC LIMITED
NOTES TO THE ACCOUNTS
at 31 March 2002

1. ACCOUNTING POLICIES

The accounts have been prepared under the historic cost convention, on a going concern basis and in accordance with applicable accounting standards. 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 Music Sound Foundation (charity registration number 1055434) and has entered into a deed of covenant whereby it covenants its taxable profits to the Music Sound Foundation.

3. FINANCE INCOME

	2002 £	2001 £
Bank interest receivable	95	110

4. FEES TO AUDITORS

	2002 £	2001 £
Audit fees	12	12

5. DIRECTORS' AND EMPLOYEES' COSTS

	2002 £	2001 £
Wages and salaries	-	-
Social security costs	-	-
	<hr/>	<hr/>
	-	-

MSFC LIMITED
NOTES TO THE ACCOUNTS
at 31 March 2002

6. RECONCILIATION OF TOTAL FUNDS

	Share capital	Profit and loss account	Total funds
	£	£	£
At 1 April 2001	1	-	1
Profit for the year	-	-	-
At 31 March 2002	<u>1</u>	<u>-</u>	<u>1</u>

7. CREDITORS

	2002 £	2001 £
Sundry creditors	-	-
Amounts owed to parent undertaking	4,994	4,940
Income tax payable	-	-
Accruals	12	12
	<u>5,006</u>	<u>4,952</u>

8. FRS8 - RELATED PARTY TRANSACTIONS

The director of MSFC Limited is an employee of EMI Group plc.