

Company Registration No. 4112932 (England and Wales)

SOUR MASH RECORDS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

FRIDAY



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21/12/2007
COMPANIES HOUSE

SOUR MASH RECORDS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2006**

Directors	N Gallagher A Mckinlay M Russell
Secretary	A Mckinlay
Company number	4112932
Registered office	88/90 Baker Street London W1U 6TQ
Accountants	Dales Evans & Co Limited Chartered Accountants 88/90 Baker Street London W1U 6TQ
Bankers	Natwest Bank plc High Street Newport Gwent NP20 1GG

SOUR MASH RECORDS LIMITED

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SOUR MASH RECORDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities

The company continued to trade as a record company

Directors

The following directors have held office during the year

N Gallagher
A McKinlay
M Russell

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 December 2006	1 January 2006
N Gallagher	80,000	80,000
A McKinlay	10,000	10,000
M Russell	10,000	10,000

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

On behalf of the board



A McKinlay
Director

SOUR MASH RECORDS LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE

UNAUDITED FINANCIAL STATEMENTS OF SOUR MASH RECORDS LIMITED

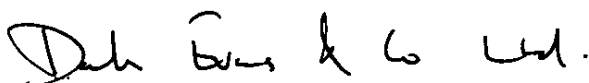
In accordance with the engagement letter dated 20 December 2007, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Sour Mash Records Limited for the year ended 31 December 2006, set out on pages 3 to 6 from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Dales Evans & Co Limited

Chartered Accountants

88/90 Baker Street

London

W1U 6TQ

SOUR MASH RECORDS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2006 £	2005 £
Turnover		298,199	168,325
Cost of sales		(44,049)	(29,939)
Gross profit		254,150	138,386
Distribution costs		(6,442)	(51)
Administrative expenses		(56,744)	(4,026)
Operating profit		190,964	134,309
Interest payable and similar charges		-	(135)
Profit on ordinary activities before taxation		190,964	134,174
Tax on profit on ordinary activities	2	(54,327)	(19,282)
Profit on ordinary activities after taxation	6	136,637	114,892

SOUR MASH RECORDS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Notes	£	2006 £	2005 £
Current assets				
Stocks		1,320		79
Debtors	3	257,811		169,832
Cash at bank and in hand		165,365		74,118
		<u>424,496</u>		<u>244,029</u>
Creditors' amounts falling due within one year	4	<u>(106,685)</u>		<u>(62,855)</u>
Total assets less current liabilities			<u>317,811</u>	<u>181,174</u>
Capital and reserves				
Called up share capital	5		100,000	100,000
Profit and loss account	6		217,811	81,174
Shareholders' funds			<u>317,811</u>	<u>181,174</u>

In preparing these financial statements

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board on 21/12/07

M Russell
Director

SOUR MASH RECORDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

2 Taxation

2006**2005****£****£**

2.1 U.K. corporation tax

Charge for the year

54,327

19,282

2.2 The company is a close company in terms of the Income and Corporation Taxes Act 1988

3 Debtors

2006**2005****£****£**

Trade debtors

4,040

153

Other debtors

253,771

169,679

257,811

169,832

4 Creditors: amounts falling due within one year

2006**2005****£****£**

Trade creditors

12,762

3,962

Other creditors

93,923

58,893

106,685

62,855

5 Share capital

2006**2005****£****£**

Authorised

100,000 Ordinary shares of £1 each

100,000

100,000

Allotted, called up and fully paid

100,000 Ordinary shares of £1 each

100,000

100,000

SOUR MASH RECORDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

6 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2006	81,174
Profit for the year	136,637
Balance at 31 December 2006	<u>217,811</u>

7 Related party transactions

Noel Gallagher controls the company by virtue of holding 80% of the issued ordinary share capital of the company

During the year there were no transactions between Noel Gallagher and the company

As at 31 December 2006 the amount owed by Sour Mash Records Limited to Noel Gallagher was £38,163

Noel Gallagher also has a holding of 40% of the issued ordinary share capital of Big Brother Recordings Limited

During the year Sour Mash Records Limited charged Big Brother Recordings Limited marketing fees of £206,311

In addition to this Big Brother Recordings Limited recharged Sour Mash Records Limited expenses of £10,704

As at 31 December 2006 there was no amount owed to or due from Sour Mash Records Limited to Big Brother Recordings Limited however included in other debtors are accrued marketing fees of £249,397