

Gullane (Music Publishing) Limited

Directors' report and financial statements for the year ended 31 July 2009

Registered number' 4316800

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Gullane (Music Publishing) Limited

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Gullane (Music Publishing) Limited

Company information

Directors	J D Dunn S S Sullivan
Company secretary	J Salvo
Registered number	4316800 Incorporated and registered in England and Wales
Registered office	Maple House 149 Tottenham Court Road London W1T 7NF
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Gullane (Music Publishing) Limited

Directors' report for year ended 31 July 2009

The directors present their annual report and the audited financial statements of Gullane (Music Publishing) Limited "the company" for the year ended 31 July 2009. This report has been prepared in accordance with the special provisions of Part XV of the Companies Act 2006 relating to small companies.

Principal activities and review of the business

The principal activity of the company is that of promotion of audio rights. This is likely to remain so for the foreseeable future. The profit for the year was £64,000 (2008: £65,000). The directors do not recommend the payment of a dividend (2008: £nil).

Key performance indicators

The directors of Sunshine Holdings 3 Limited (the head of the smallest and largest group into which the company is consolidated) manage the Group's operations as a whole. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Gullane (Music Publishing) Limited. The development, performance and position of the group headed by Sunshine Holdings 3 Limited, which includes the company, is discussed on pages 2 to 6 of Sunshine Holdings 3 Limited's annual report which does not form part of this report.

Principal risks and uncertainties

The directors of Sunshine Holdings 3 Limited manage the Group's risks at a group level, rather than at an individual entity level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of Sunshine Holdings 3 Limited, which include those of the company, are discussed on pages 2 to 6 of the Group's annual report which does not form part of this report.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J Weight (resigned 16 January 2009)
J Dunn (appointed 7 January 2009)
S S Sullivan (appointed 12 January 2009)
D Pearce (resigned 31 January 2009)

Statement of director responsibilities

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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 period.

In preparing these financial statements, the directors are required to

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

Gullane (Music Publishing) Limited

Statement of director responsibilities (continued)

The directors are 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. 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.

Disclosure of information to auditors

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the board



S S Sullivan
Director

28 April 2010

Gullane (Music Publishing) Limited

Independent auditors' report to the members of Gullane (Music Publishing) Limited

We have audited the financial statements of Gullane (Music Publishing) Limited for the year ended 31 July 2009 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on pages 1 and 2 the directors are 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 July 2009 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 Companies Act 2006.

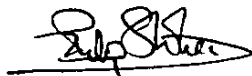
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or
- the directors were not entitled to prepare the directors' report in accordance with the small company regime.



Philip Stokes (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place, London, WC2N 6RH

30 April 2010

Gullane (Music Publishing) Limited

Profit and loss account for the year ended 31 July 2009

Registered number 4316800

	Note	2009 £000	2008 £000
Turnover	2	141	85
Cost of sales		<u>(71)</u>	<u>(20)</u>
Gross Profit		70	-
Administrative Expenses		<u>(6)</u>	<u>-</u>
Profit on ordinary activities before taxation	3	64	65
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	8	<u>64</u>	<u>65</u>

All amounts relate to continuing operations

There are no recognised gains or losses other than the profit for the current and prior financial year and therefore no separate statement of total recognised gains or losses has been presented

There is no difference between the profit on ordinary activities and the profit for the current and prior financial year stated above and their historical cost equivalents

Gullane (Music Publishing) Limited

Balance sheet as at 31 July 2009

	Note	2009 £000	2008 £000
Current assets			
Debtors	6	<u>218</u>	<u>154</u>
Net current assets		<u>218</u>	<u>154</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	<u>218</u>	<u>154</u>
Total shareholders' funds	9	<u>218</u>	<u>154</u>

The financial statements on pages 4 to 8 were approved by the board of directors on 28 April 2010 and were signed on its behalf by



S S Sullivan
Director

Gullane (Music Publishing) Limited

Notes to the financial statements for the year ended 31 July 2009

1. Principal accounting policies

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 in the United Kingdom

The principal accounting policies, which have been applied consistently throughout the year, are set out below

Turnover

Turnover represents income from the licence of group intellectual properties for the distribution of audio products. The policy is to recognise turnover when the licence term has commenced. Any licence fees received in advance, which do not meet the above criteria, are included in deferred income until the criteria are met.

Cost of sales

Costs considered to be directly related to turnover are accounted for as cost of sales.

Cash flow statement

The financial statements of Sunshine Holdings 3 Limited for the year ended 31 July 2009 contain a consolidated cash flow statement. Consequently, the company has taken advantage of exemption 5(a) granted by Financial Reporting Standard 1 (revised 1996) and has not published a cash flow statement.

Deferred taxation

Provision is made in full for deferred tax that arises from timing differences that have originated but not reversed by the balance sheet date on transactions or events that result in an obligation to pay more tax in the future. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that there will be taxable profits from which the underlying differences can be deducted. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Trade and other debtors

Trade and other debtors are recognised initially at fair value and subsequently at the recoverable amount if the fair value is impaired. A provision for impairment of trade and other debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount. When a trade or other debtor is uncollectible, it is written off against the allowance account for trade and other debtors.

Gullane (Music Publishing) Limited

Notes to the financial statements for the year ended 31 July 2009 (Continued)

2 Turnover

Turnover by origin for the year may be analysed as follows

	2009 £000	2008 £000
Non United Kingdom	141	85

The Company's turnover can be analysed as follows

Audio licence	141	85
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3 Profit on ordinary activities before taxation

Auditor's remuneration has been borne by a related party, HIT Entertainment Limited for the current and prior year

4 Directors' emoluments and employee information

The Company has no employees (2008 none)

None of the directors received any remuneration in respect of their services to the Company in the current year (2008 £nil)

5 Tax on profit on ordinary activities

	2009 £000	2008 £000
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The tax charge for the year is as follows

Current tax

Corporation tax on profits for the year	-	-
Total current tax	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in the UK 28% (2008 29.3%) The differences are explained below

	2009 £000	2008 £000
The current year tax charge can be reconciled as follows		
Profit on ordinary activities before taxation	64	65
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 29.3%)	18	18
Schedule 28AA adjustments	3	4
Amount surrendered to the Company as group relief for £nil consideration	(21)	(22)

Current tax charge for the year

-	-
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Factors affecting future tax charges

There are no foreseeable factors that may affect future tax charges

Gullane (Music Publishing) Limited

Notes to the financial statements for the year ended 31 July 2009 (Continued)

6 Debtors

	2009 £000	2008 £000
Amounts owed by group undertakings	218	148
Accrued income	-	6
	<u>218</u>	<u>154</u>

7. Called up share capital

Ordinary shares of £1 each	Number	2009 £	Number	2008 £
Authorised	2	2	2	2
Allotted and fully paid	2	2	2	2

8. Profit and loss account

	£000
Balance at 1 August 2008	154
Profit for the financial year	64
Balance at 31 July 2009	<u>218</u>

9 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Profit for the financial year	64	65
Opening shareholders' funds	154	89
Closing shareholders' funds	<u>218</u>	<u>154</u>

10. Immediate and ultimate parent undertaking

The directors consider Gullane Entertainment Limited to be the immediate controlling company

The ultimate parent undertaking is HIT Entertainment Scottish LP, which is registered in Scotland, whilst the ultimate controlling party is Apax Partners Europe Managers Limited on behalf of funds managed by it

The largest and smallest group into which the company is consolidated is headed by Sunshine Holdings 3 Limited, which is registered in England and Wales

The consolidated financial statements can be obtained at HIT Entertainment Limited, 5th Floor Maple House, 149 Tottenham Court Road, London, W1T 7NF

11 Related party transactions

The company has taken advantage of the exemption provided by paragraph 3(c) of Financial Reporting Standard 8 not to disclose transactions with entities that are part of the Sunshine Holdings 3 Limited group. There are no other related party transactions in the current or prior year which would require disclosure in the accounts.