

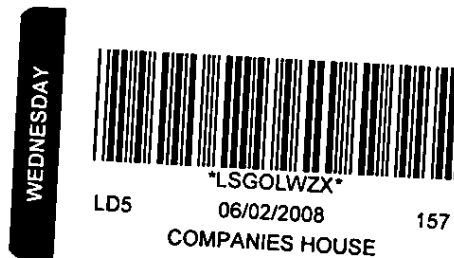
Barfly Club (Liverpool) Limited

Registered No 4768832

BARFLY CLUB (LIVERPOOL) LIMITED

Report and Accounts

31 July 2007



Barfly Club (Liverpool) Limited

Registered No 4768832

DIRECTORS

A C Driscoll

U A Rozzo

T Simmons

SECRETARY

Harrison Clark (Secretarial) Ltd

AUDITORS

PKF (UK) LLP

Farringdon Place

20 Farringdon Road

London

EC1M 3AP

BANKERS

Bank of Scotland

St James's Gate

14-16 Cockspur Street

London

SW1Y 5BL

REGISTERED OFFICE

59-65 Worship Street

London

EC2A 2DU

Barfly Club (Liverpool) Limited

Registered No 4768832

DIRECTORS REPORT

The directors present their report and accounts for the period ended 31 July 2007

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the period was that of the operation of live music venues and events. It is expected that there will be an improved result in the current year.

RESULTS AND DIVIDENDS

The loss for the year ended 31 July 2007 after taxation amounted to £24,000 (2006 loss £90,000). The directors do not recommend the payment of a dividend.

FUTURE DEVELOPMENTS

Increased turnover and reduced overheads achieved the improved results at the venue in Liverpool and further improvements are expected in the current year.

FINANCIAL INSTRUMENTS

The company does not actively use financial instruments as part of its financial risk management. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

DIRECTORS

The directors during the period were as follows:

A C Driscoll

P A Murphy – Resigned on 31 July 2007

J P C Ledlin – Resigned on 31 March 2007

U A Rozzo

T Simmons – Appointed 31 July 2007

INFORMATION TO AUDITORS

The following applies for each of the persons who are directors at the time when this report is approved:

- so far as the director is aware, there is no information needed by the company's auditors in connection with preparing this report (relevant audit information) of which they are 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 auditors are aware of that information.

The directors' 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



T Simmons
Director

Barfly Club (Liverpool) Limited

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to 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 judgments and 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

The directors are responsible for keeping proper accounting records that 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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARFLY CLUB (LIVERPOOL) LIMITED

We have audited the financial statements of Barfly Club (Liverpool) Limited for the year ended 31 July 2007 which comprise the profit and loss account, the balance sheet and the related notes. The 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 law and United Kingdom 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 have been 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 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 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 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.

Barfly Club (Liverpool) Limited

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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 loss 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

PKF (UK) LLP

PKF (UK) LLP

Registered Auditors
London, UK

Date 22 January 2008

Barfly Club (Liverpool) Limited

Registered No 4768832

PROFIT & LOSS ACCOUNT

for the year ended 31 July 2007

	<i>Notes</i>	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
TURNOVER	2	796	729
Cost of sales		(424)	(387)
GROSS PROFIT		<u>372</u>	<u>342</u>
Administration costs		<u>(396)</u>	<u>(432)</u>
OPERATING LOSS	3	(24)	(90)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(24)</u>	<u>(90)</u>
Taxation on loss on ordinary activities	6	-	-
RETAINED LOSS FOR THE FINANCIAL YEAR	12	<u><u>(24)</u></u>	<u><u>(90)</u></u>

The loss for the year arises from the company's continuing operations

The result for the year represents all of the gains and losses recognised by the company during the year

Barfly Club (Liverpool) Limited

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BALANCE SHEET

as at 31 July 2007

	Notes	2007 £000	2006 £000
FIXED ASSETS			
Tangible Assets	7	56	52
		<u>56</u>	<u>52</u>
CURRENT ASSETS			
Stock		10	11
Debtors	8	41	22
Cash at bank and in hand		20	4
		<u>71</u>	<u>37</u>
CREDITORS amounts falling due within one year	9(A)	(221)	(159)
		<u>(150)</u>	<u>(122)</u>
NET CURRENT LIABILITIES			
		(94)	(70)
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS amounts falling due after one year	9(B)	(119)	(119)
		<u>(213)</u>	<u>(189)</u>
TOTAL NET LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account	12	(213)	(189)
		<u>(213)</u>	<u>(189)</u>
DEFICIT ON SHAREHOLDERS' FUNDS	13		

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 January 2008


A C Driscoll
Director

NOTES TO THE ACCOUNTS

at 31 July 2007

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting and financial reporting standards

Going concern

The company is currently financed by means of support from the company's ultimate parent undertaking

The directors believe there will be adequate resources for the company to continue in operational existence for the foreseeable future, based on its current circumstances and future trading plans MAMA Group Plc has indicated that it will continue to provide financial support to the company and therefore these accounts are prepared on a going concern basis

Cash flow statement

The company has not submitted a cash flow as it is a wholly owned subsidiary undertaking of a company incorporated in Great Britain which has presented a consolidated cash flow statement of the group

Fixed assets

All fixed assets are recorded at cost The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset over its expected useful life, as follows

Computer - over 3 – 5 years

Fixture Fitting and production equipment - over 3 – 10 years

Expenditure on repairs and renewals is taken to the profit and loss account as incurred

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax subject to the requirements of Financial Reporting Standard No 19 Deferred tax balances are not discounted

Stocks

Stocks are stated at the lower of cost and net realisable value

Leased assets

Operating lease rentals are charged to the profit and loss account as they accrue

Revenue recognition

Revenue is recognised at the point that the event occurs or in the case of services provided over a period of time the revenue will be recognised on a time basis

Barfly Club (Liverpool) Limited

Registered No 4768832

2. TURNOVER

Turnover, which is stated net of value added tax, is attributable to one continuing activity, the operation of live music events and venues. The source and destination of all the company's turnover and loss was the United Kingdom.

3. OPERATING LOSS

This is stated after charging

	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
Depreciation - owned assets	29	28
Operating lease rental - Land & buildings	<u>78</u>	<u>72</u>

The Auditors' remuneration is borne by MAMA Group Plc

4. DIRECTORS' EMOLUMENTS

None of the directors received any remuneration from the company, the costs being borne by other group companies

5. STAFF COSTS

	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
Wages and salaries	118	111
Social security costs	<u>7</u>	<u>6</u>
	<u>125</u>	<u>117</u>

The average number of persons employed by the company during the year was as follows

	<i>2007</i> <i>No</i>	<i>2006</i> <i>No</i>
Office and Management	3	-
Venue staff	<u>17</u>	<u>17</u>
	<u>20</u>	<u>17</u>

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Registered No 4768832

6. TAXATION

No tax charge arises due to losses made in the year. The Company has approximately £39,000 (2006 £39,000) of trading losses available to carry forward and offset against future trading profits.

2007	2006
£000	£000

(a) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are reconciled below -

Loss on ordinary activities before tax	(24)	(90)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(7)	(27)
Expenses not deductible for taxable purposes	-	1
Capital allowances claimed in the year in excess of depreciation charged	1	3
Losses surrendered to other group companies	6	23
Total current tax	-	-

(b) Factors that may affect future tax charges

The Company is not recognising any deferred tax assets in the financial statements due to the uncertainty regarding the utilisation of losses created in the year.

7. TANGIBLE FIXED ASSETS

	Computer £000	Fixtures, Fittings and Equipment £000	Total £000
Cost			
At 1 August 2006	3	126	129
Additions	1	32	33
At 31 July 2007	4	158	162
Depreciation			
At 1 August 2006	-	77	77
Charged in the period	1	28	29
At 31 July 2007	1	105	106
Net book value			
At 31 July 2007	3	53	56
At 31 July 2006	3	49	52

Barfly Club (Liverpool) Limited

Registered No 4768832

8. DEBTORS

	2007 £000	2006 £000
Trade debtors	1	3
Other debtors	1	1
Amounts owed by group undertakings	22	-
Prepayments and accrued income	17	18
	<u>41</u>	<u>22</u>

9. (A) CREDITORS: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	27	33
Other taxes and social security costs	24	24
Other creditors	9	2
Amounts owed to group undertakings	151	91
Accruals and deferred income	10	9
	<u>221</u>	<u>159</u>

(B) CREDITORS: amounts falling due after one year

	2007 £000	2006 £000
Amounts owed to group undertakings	119	119
	<u>119</u>	<u>119</u>

10. FINANCIAL COMMITMENTS

At 31 July 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £000	2006 £000
Land and buildings		
Lease expiring		
- over five years	78	72
	<u>78</u>	<u>72</u>

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Registered No 4768832

11. SHARE CAPITAL

	2007 £	2006 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. PROFIT AND LOSS ACCOUNT

	2007 £000	2006 £000
At beginning of the year	(189)	(99)
Loss for the year	<u>(24)</u>	<u>(90)</u>
At end of the year	<u>(213)</u>	<u>(189)</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £000	2,006 £000
Loss for the year	(24)	(90)
Opening shareholders' funds	<u>(189)</u>	<u>(99)</u>
Closing shareholders' funds	<u>(213)</u>	<u>(189)</u>

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption within FRS 8 not to disclose transactions with group members as more than 90% of the voting rights are controlled within the group

15. CONTINGENT LIABILITY

At 31 July 2007 the company was party to a group overdraft facility over which the group's bankers have a cross guarantee. The amount outstanding on this facility at 31 July 2007 was Nil

16. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's parent undertaking is Barfly Club Holdings Limited, its ultimate parent undertaking and controlling party is MAMA Group Plc. Copies of the group accounts, which include the Company, may be requested from 59-65 Worship Street, London EC2A 2DU