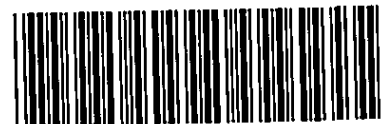


REGISTRAR'S COPY

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008
FOR
NOTION MUSIC LIMITED**

THURSDAY



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for the Year Ended 30 September 2008**

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NOTION MUSIC LIMITED

COMPANY INFORMATION
for the Year Ended 30 September 2008

DIRECTORS: K Karra
S Karra

SECRETARY: K Karra

REGISTERED OFFICE: Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1HD

REGISTERED NUMBER: 05963238 (England and Wales)

NOTION MUSIC LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 30 September 2008**

The directors present their report with the financial statements of the company for the year ended 30 September 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution of music software.

DIRECTORS

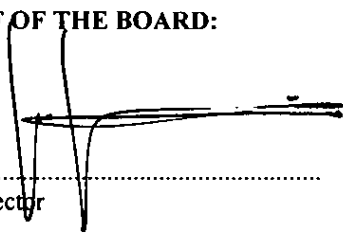
The directors shown below have held office during the whole of the period from 1 October 2007 to the date of this report.

K Karra

S Karra

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 handwritten signature in black ink, appearing to be 'K Karra', written over a horizontal dotted line.

K Karra - Director

Date: 8th July 2009

NOTION MUSIC LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 2008

| | | Year Ended 30.9.08 £ | Period 11.10.06 to 30.9.07 £ |
|--|-------|----------------------------|--|
| | Notes | | |
| TURNOVER | | 10,828 | 98 |
| Cost of sales | | <u>4,733</u> | <u>-</u> |
| GROSS PROFIT | | 6,095 | 98 |
| Administrative expenses | | <u>274,267</u> | <u>128,011</u> |
| OPERATING LOSS | 2 | (268,172) | (127,913) |
| Interest receivable and similar income | | <u>722</u> | <u>-</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (267,450) | (127,913) |
| Tax on loss on ordinary activities | 3 | <u>-</u> | <u>-</u> |
| LOSS FOR THE FINANCIAL YEAR AFTER TAXATION | | <u>(267,450)</u> | <u>(127,913)</u> |

The notes form part of these financial statements

NOTION MUSIC LIMITED

BALANCE SHEET
30 September 2008

| | Notes | 30.9.08 £ | 30.9.07 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 2,357 | 1,249 |
| CURRENT ASSETS | | | |
| Stocks | | 1,395 | - |
| Debtors | 5 | 18,818 | 9,587 |
| Cash at bank | | <u>60,366</u> | <u>72,492</u> |
| | | 80,579 | 82,079 |
| CREDITORS | | | |
| Amounts falling due within one year | 6 | <u>50,401</u> | <u>66,942</u> |
| NET CURRENT ASSETS | | <u>30,178</u> | <u>15,137</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 32,535 | 16,386 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 7 | <u>427,897</u> | <u>144,298</u> |
| NET LIABILITIES | | <u>(395,362)</u> | <u>(127,912)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 1 | 1 |
| Profit and loss account | 9 | <u>(395,363)</u> | <u>(127,913)</u> |
| SHAREHOLDERS' FUNDS | | <u>(395,362)</u> | <u>(127,912)</u> |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

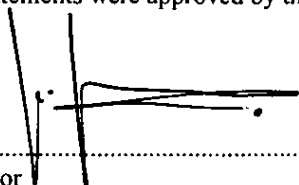
The notes form part of these financial statements

NOTION MUSIC LIMITED

BALANCE SHEET - continued
30 September 2008

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 2007).

The financial statements were approved by the Board of Directors on 8th July 2009 and were signed on its behalf by:



.....
K Karra - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. OPERATING LOSS

The operating loss is stated after charging:

| | Year Ended 30.9.08 £ | Period 11.10.06 to 30.9.07 £ |
|--|----------------------------|--|
| Depreciation - owned assets | <u>510</u> | <u>112</u> |
| Directors' emoluments and other benefits etc | <u>60,789</u> | <u>58,300</u> |

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 September 2008 nor for the period ended 30 September 2007.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2008

4. TANGIBLE FIXED ASSETS

| | Plant and machinery etc £ |
|-----------------------|------------------------------------|
| COST | |
| At 1 October 2007 | 1,361 |
| Additions | <u>1,618</u> |
| At 30 September 2008 | <u>2,979</u> |
| DEPRECIATION | |
| At 1 October 2007 | 112 |
| Charge for year | <u>510</u> |
| At 30 September 2008 | <u>622</u> |
| NET BOOK VALUE | |
| At 30 September 2008 | <u>2,357</u> |
| At 30 September 2007 | <u>1,249</u> |

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.9.08 | 30.9.07 |
|---------------|---------------|--------------|
| | £ | £ |
| Trade debtors | 601 | 98 |
| Other debtors | <u>18,217</u> | <u>9,489</u> |
| | <u>18,818</u> | <u>9,587</u> |

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.9.08 | 30.9.07 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 37,891 | 21,568 |
| Taxation and social security | 7,989 | 16,629 |
| Other creditors & accruals | <u>4,521</u> | <u>28,745</u> |
| | <u>50,401</u> | <u>66,942</u> |

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 30.9.08 | 30.9.07 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts owed to group undertakings | <u>427,897</u> | <u>144,298</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2008

8. CALLED UP SHARE CAPITAL

| | | | | |
|-------------|----------|----------------|--------------|--------------|
| Authorised: | | | | |
| Number: | Class: | Nominal value: | 30.9.08 | 30.9.07 |
| | | | £ | £ |
| 1,000 | Ordinary | £1 | <u>1,000</u> | <u>1,000</u> |

| | | | | |
|----------------------------------|----------|----------------|----------|----------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 30.9.08 | 30.9.07 |
| | | | £ | £ |
| 1 | Ordinary | £1 | <u>1</u> | <u>1</u> |

9. RESERVES

| | |
|----------------------|-------------------------|
| | Profit and loss account |
| | £ |
| At 1 October 2007 | (127,913) |
| Deficit for the year | <u>(267,450)</u> |
| At 30 September 2008 | <u>(395,363)</u> |

10. ULTIMATE PARENT COMPANY

The Company's ultimate parent undertaking is Notion Music Inc a company incorporated in the United States.

11. RELATED PARTY DISCLOSURES

Resulting from expense claims during the year K Karra, a director of the company is owed £2,995 at period end.