

REGISTERED NUMBER: 06278494 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2011 TO 28 APRIL 2012
FOR
Music & Media Solutions Limited

MONDAY



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for the period 1 May 2011 to 28 April 2012

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DIRECTORS

D James
R Bett
T Moore

SECRETARY

E Marriner

REGISTERED OFFICE

59 - 65 Worship Street
London
EC2A 2DU

REGISTERED NUMBER

06278494 (England and Wales)

AUDITORS

BDO LLP
55 Baker Street
London, United Kingdom
W1U 7EU

BANKERS

Lloyds Banking Group plc
25 Gresham Street
London
EC2V 7HN

REPORT OF THE DIRECTORS
for the period 1 May 2011 to 28 April 2012

The directors present their report with the financial statements of the company for the period 1 May 2011 to 28 April 2012. The comparative period is from 1 August 2010 to 30 April 2011 as the reporting period was aligned with the parent company and therefore the amounts in the financial statements are not entirely comparable.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of arranging sponsorship for the benefit of group companies.

DIVIDENDS

No dividends have been recognised for the period ended 28 April 2012 (during the period ended 30 April 2011, the final dividend for the year ended 31 July 2010 totalling £202,048 was paid).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2011 to the date of this report.

D James
R Bett

Other changes in directors holding office are as follows:

T Moore was appointed as a director after 28 April 2012 but prior to the date of this report.

S Fox ceased to be a director after 28 April 2012 but prior to the date of this report.

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 subject to price or liquidity risk.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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.

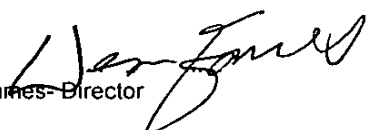
AUDITORS

The auditors, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

REPORT OF THE DIRECTORS
for the period 1 May 2011 to 28 April 2012

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD


D James- Director

Date 18 September 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MUSIC & MEDIA SOLUTIONS LIMITED**

We have audited the financial statements of Music & Media Solutions Limited for the period ended 28 April 2012 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 28 April 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

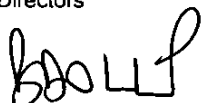
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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 take advantage of the small companies' exemption in preparing the Report of the Directors.



Matthew White (Senior Statutory Auditor)
for and on behalf of BDO LLP
55 Baker Street
London, United Kingdom

Date 18th September 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

STATEMENT OF COMPREHENSIVE INCOME
for the period 1 May 2011 to 28 April 2012

	Notes	Period 1 5 11 to 28 4 12 £	Period 1 8 10 to 30 4 11 £
CONTINUING OPERATIONS			
Revenue	2	1,291,036	576,225
Cost of sales		<u>(1,291,036)</u>	<u>(576,225)</u>
GROSS PROFIT		<u>-</u>	<u>-</u>
PROFIT BEFORE INCOME TAX		-	-
Income tax	4	<u>-</u>	<u>-</u>
PROFIT FOR THE PERIOD		-	-
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

28 April 2012

	Notes	2012 £	2011 £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	6	158,641	170,970
Cash and cash equivalents	7	-	188
		<u>158,641</u>	<u>171,158</u>
TOTAL ASSETS		<u>158,641</u>	<u>171,158</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	8	100	100
TOTAL EQUITY		<u>100</u>	<u>100</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	129,528	80,500
Financial liabilities - borrowings			
Bank overdrafts	11	29,013	90,558
		<u>158,541</u>	<u>171,058</u>
TOTAL LIABILITIES		<u>158,541</u>	<u>171,058</u>
TOTAL EQUITY AND LIABILITIES		<u>158,641</u>	<u>171,158</u>

The financial statements were approved and authorised for issue by the Board of Directors on 16 September 2012 and were signed on its behalf by


D James - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the period 1 May 2011 to 28 April 2012

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 August 2010	100	202,048	202,148
Changes in equity			
Dividends	-	(202,048)	(202,048)
Balance at 30 April 2011	100	-	100
Changes in equity			
Balance at 28 April 2012	100	-	100

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
for the period 1 May 2011 to 28 April 2012

		Period 1 5 11 to 28 4 12 £	Period 1 8 10 to 30 4 11 £
Cash flows from operating activities			
Cash generated from operations	1	<u>61,357</u>	<u>(82,043)</u>
Net cash from operating activities		<u>61,357</u>	<u>(82,043)</u>
Cash flows from investing activities			
Sale of property, plant and equipment		<u>-</u>	<u>3,317</u>
Net cash from investing activities		<u>-</u>	<u>3,317</u>
Cash flows from financing activities			
Equity dividends paid		<u>-</u>	<u>(202,048)</u>
Net cash from financing activities		<u>-</u>	<u>(202,048)</u>
Increase/(decrease) in cash and cash equivalents		61,357	(280,774)
Cash and cash equivalents at beginning of period	2	<u>(90,370)</u>	<u>190,404</u>
Cash and cash equivalents at end of period	2	<u>(29,013)</u>	<u>(90,370)</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the period 1 May 2011 to 28 April 2012

1 RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Period 1 5 11 to 28 4 12 £	Period 1 8 10 to 30 4 11 £
Profit before income tax	-	-
Movement in intergroup balances	89,226	(62,495)
	89,226	(62,495)
(Increase)/decrease in trade and other receivables	(157,397)	477,350
Increase/(decrease) in trade and other payables	129,528	(496,898)
Cash generated from operations	61,357	(82,043)

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Period ended 28 April 2012

	28 4 12 £	1 5 11 £
Cash and cash equivalents	-	188
Bank overdrafts	(29,013)	(90,558)
	<u>(29,013)</u>	<u>(90,370)</u>

Period ended 30 April 2011

	30 4 11 £	1 8 10 £
Cash and cash equivalents	188	190,404
Bank overdrafts	(90,558)	-
	<u>(90,370)</u>	<u>190,404</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the period 1 May 2011 to 28 April 2012

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Going concern

The company is currently financed by means of support from MAMA Group Limited.

MAMA Group Limited has indicated that it will continue to provide financial support to the company through use of the HMV Group plc group offset facility. The HMV Group plc banking facilities have certain financial covenants. Further details of the financial covenants and the principal risks and uncertainties monitored by the board of HMV Group plc can be found in the financial statements of HMV Group plc for the period ended 28 April 2012.

As reported in the HMV Group plc's announcement of its financial results for the 52 weeks ended 28 April 2012 on 7 August 2012, the strategic review of the HMV Live, of which Music & Media Solutions Limited is a member, is ongoing and the HMV Group plc is currently in preliminary discussions regarding potential options for its disposal.

Any potential sale of the company by HMV Group plc may alter the course of the company outside the control of the directors. Having given due consideration to this, 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, future trading plans, and the continued availability of the group offset facility; therefore these accounts are prepared on the going concern basis.

Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 May 2011

There have been no new standards, interpretations and amendments effective for the first time from 1 May 2011 that have had a material effect on the financial statements.

b) New standards, interpretations and amendments not yet effective

None of the other new standards, interpretations and amendments which are effective for periods beginning after 1 May 2011 and which have not been adopted early, are expected to have a material effect on the company's future financial statements.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Revenue recognition

Revenue represents amounts receivable, stated net of value added tax, in respect of commission from sponsorship deals, which is recognised over the duration of the contract.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2011 to 28 April 2012

1 ACCOUNTING POLICIES - continued

Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement

Financial instruments are recognised on the balance sheet at fair value when the Company becomes a party to the contractual provisions of the instrument

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity or available-for-sale

Fair value through profit or loss The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss

Loans and receivables These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in the payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position

Financial liabilities

The Company classifies its financial liabilities into the following category

Other financial liabilities Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date. The charge for taxation is based on the profit or loss for the year and takes into account deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Dividends

Final equity dividends are recognised when approved by shareholders through a special resolution

2 REVENUE

Revenue for the period ended 28 April 2012 and the period ended 30 April 2011 arises solely from the provision of services

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2011 to 28 April 2012

3 EMPLOYEES AND DIRECTORS

There were no staff costs for the period ended 28 April 2012 nor for the period ended 30 April 2011

	Period 1 5 11 to 28 4 12 £	Period 1 8 10 to 30 4 11 £
Directors' remuneration	-	-

All employee costs are borne by the parent company, Channelfly Plc

4 INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the period ended 28 April 2012 nor for the period ended 30 April 2011

5 DIVIDENDS

	Period 1 5 11 to 28 4 12 £	Period 1 8 10 to 30 4 11 £
Ordinary shares of £1 each		
Final	-	202,048

6 TRADE AND OTHER RECEIVABLES

	2012 £	2011 £
Current		
Trade receivables	152,835	-
Amounts owed by group undertakings	-	169,726
Other receivables	5,806	1,244
	<u>158,641</u>	<u>170,970</u>

Amounts owed by group undertakings are repayable on demand

7 CASH AND CASH EQUIVALENTS

	2012 £	2011 £
Bank accounts	-	188

8 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2012	2011
Number	Class	Nominal value	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

9 RESERVES

The nature and purpose of each of the reserves within shareholders' equity is explained below

Profit and loss account - the cumulative gains and losses recognised in the statement of comprehensive income together with other items which are required to be taken direct to equity

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2011 to 28 April 2012

10 TRADE AND OTHER PAYABLES

	2012 £	2011 £
Current		
Amounts owed to group undertakings	-	80,500
Other payables	<u>129,528</u>	<u>-</u>
	<u>129,528</u>	<u>80,500</u>

Amounts owed to group undertakings are repayable on demand

11 FINANCIAL LIABILITIES - BORROWINGS

	2012 £	2011 £
Current		
Bank overdrafts	<u>29,013</u>	<u>90,558</u>

Terms and debt repayment schedule

	1 year or less £
Bank overdrafts	<u>29,013</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2011 to 28 April 2012

12 FINANCIAL INSTRUMENTS

Company policies are to minimise the risks associated with credit and liquidity within the business. The Company have put in place a number of policies to manage these financial risks. These include:

- Regular review of debtors with management to agree procedures in respect of individual overdue debts,
- Placing surplus funds on deposit accounts and in foreign currency accounts,
- Preparation of updated cash flows to reflect actual and forecast cash requirements on a regular basis, and
- Where any material future liabilities in a foreign currency arise the Directors consider the appropriateness of putting currency hedging instruments in place.

At the reporting date the Company had sterling denominated current account balances of nil (2011 £188) and overdraft balances of £29,013 (2011 £90,558). The Company is part of a group facility, where any surplus funds are held on deposit.

It is the Directors' opinion that the carrying value of all financial assets of the Company approximates their fair value. IFRS 7 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Level 1: Quoted prices (adjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, with directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable data (that is unobservable inputs)

The Company does not hold any assets or liabilities recorded at fair value. It is the Directors' opinion that the carrying value of all financial assets and liabilities of the Company approximate their fair value due to the short term nature of the balances.

The Company has trade payables which are generated in the normal course of business.

There have been no substantive changes in the Company's exposure to financial instruments risk, its objectives, policies and procedures for managing those risks or the methods used to measure them from previous periods.

The categories of financial instruments as presented in the statement of financial position are set out as follows:

28 April 2012

	Loans and receivables £	Financial liabilities measured at amortised cost £
Trade receivables	152,835	-
Other receivables	5,806	-
Current borrowings	-	29,013
Other payables	-	129,528
	<u>158,641</u>	<u>158,541</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2011 to 28 April 2012

30 April 2011

	Loans and receivables £	Financial liabilities measured at amortised cost £
Amounts owed by group undertakings	169,726	-
Other receivables	1,244	-
Cash and cash equivalents	188	-
Amounts owed to group undertakings	-	80,500
Current borrowings	-	90,558
	<u>170,970</u>	<u>170,058</u>

The Company considers that the following risks are relevant to an understanding of its business

Interest rate risk

The Company is principally funded by equity. The Company is part of a group offset facility where any excess funds are placed on deposit. The Company earns interest from its parent company based on its cash position. Given the level of overdraft and the interest rate, interest rate risk is considered to be low for the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to its debtors. The amounts presented in the statement of financial position are net of allowances for doubtful debts. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The maximum amount of credit risk for each asset class is the carrying amount in the statement of financial position.

As at 28 April 2012 trade receivables of £29,372 (2011: £Nil) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2012 £	2011 £
Over 30 days	9,000	-
Over 60 days	18,000	-
Over 90 days	305	-
Over 120 days	<u>2,067</u>	<u>-</u>
	<u>29,372</u>	<u>-</u>

Currency risk

The majority of the Company's transactions are in sterling, hence the Company has a negligible exposure to currency risk.

Liquidity risk

The Company has an overdraft, however it is part of a group bank facility, whereby the Company can borrow funds based on the group position. The Company therefore considers it has a low exposure to liquidity risk.

Capital management

The capital of the Company is the total equity on the statement of financial position. The objective of the Company's capital management is to grow its business and deliver improving returns for its shareholders. The management of the Company's capital is performed by the Directors, taking into account economic conditions and strategic requirements. The Company may make dividend payments to shareholders, return capital to shareholders or issue new shares. There are no externally imposed capital requirements.

13 ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Channelfly Plc. Its ultimate parent undertaking and controlling party is HMV Group plc as it controls 100% of the voting rights. HMV Group plc is the smallest and the largest group into which these accounts are consolidated. Copies of the group accounts which include the company may be requested from 59 - 65 Worship Street, London, EC2A 2DU.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 May 2011 to 28 April 2012

14 CONTINGENT LIABILITIES

At 28 April 2012 the company was party to a group facility over which the group's bankers have a cross guarantee. The amount outstanding on this facility at 28 April 2012 was Nil (2011 Nil)

15 RELATED PARTY DISCLOSURES

The Directors are considered to be the key management personnel. Details of the directors' remuneration is given in note 3. Other related party transactions which took place during the year are as follows:

Related party relationship	Type of transaction	Value of transaction		Balance outstanding to Company Dr/(Cr)	
		2012	2011	2012	2011
Parent company	Recharges	-	-	-	(76,267)
Subsidiaries of ultimate parent company	Recharges	-	-	-	165,493

Intergroup transactions that have been settled in cash and have no profit and loss effect have been excluded.