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Registered number
05037672

Red Girl Records Ltd

Report and Accounts

31 August 2006



Red Girl Records Ltd

Directors' Report

The directors present their report and accounts for the year ended 31 August 2006

Principal activities

The company's principal activity during the year continued to be the production and promotion of the new album of the artist Melanie Chisholm

Directors

The directors who served during the year and their interests in the share capital of the company were as follows

	£1 Ordinary shares	
	31 Aug 2006	1 Sep 2005
N Phillips	15	15
M Chisholm	-	-

M Chisholm has a beneficial interest in the shares held by Red Girl Productions Ltd, a company in which she is the controlling party. Her interests in the shares of Red Girl Productions Ltd are disclosed in that company's financial statements

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the company's state of affairs at the end of the period and of the profit or loss for that period. In preparing those financial statements, the directors are required to -

- select suitable accounting policies and then apply them consistently

- make judgements and estimates that are reasonable and prudent

- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements

- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985

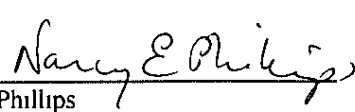
The directors are also responsible for safeguarding the assets of the company and for this reason taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors confirm that the financial statements comply with these requirements

Small company special provisions

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

This report was approved by the board on 3 July 2008

X. 
N Phillips
Director

Red Girl Records Ltd
Profit and Loss Account
for the year ended 31 August 2006

	Notes	2006 £	2005 £
Turnover	2	317,308	401,108
Cost of sales		(237,045)	(756,089)
Gross profit/(loss)		<u>80,263</u>	<u>(354,981)</u>
Distribution costs		(10,030)	(89,178)
Administrative expenses		(78,739)	(119,554)
Other operating income		-	150
Operating loss		<u>(8,506)</u>	<u>(563,563)</u>
Interest receivable		137	3
Interest payable	3	(43)	-
Loss on ordinary activities before taxation		<u>(8,412)</u>	<u>(563,560)</u>
Tax on loss on ordinary activities	4	2,346	48,158
Loss for the financial year		<u>(6,066)</u>	<u>(515,402)</u>

Red Girl Records Ltd
Balance Sheet
as at 31 August 2006

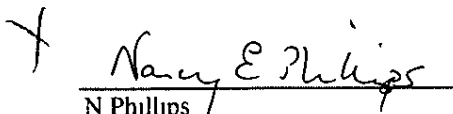
	Notes	2006 £	2005 £
Current assets			
Stocks		3,328	3,328
Debtors	5	98,658	265,530
Cash at bank and in hand		106,578	2,538
		<u>208,564</u>	<u>271,396</u>
Creditors: amounts falling due within one year	6	(42,934)	(208,886)
Net current assets		<u>165,630</u>	<u>62,510</u>
Total assets less current liabilities		<u>165,630</u>	<u>62,510</u>
Creditors: amounts falling due after more than one year	7	(734,615)	(625,427)
Net liabilities		<u>(568,985)</u>	<u>(562,917)</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	(569,085)	(563,017)
Shareholders' funds		<u>(568,985)</u>	<u>(562,917)</u>

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper 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

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2007)


N Phillips
Director
Approved by the board on 3 July 2008

M J Chisholm
Director

Red Girl Records Ltd
Notes to the Accounts
for the year ended 31 August 2006

1 Accounting policies

The accounts 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 the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts

Stocks

Stock is valued at the lower of cost and net realisable value

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

Basis of preparation

The balance sheet shows a net deficit of £568,985. This is after allowing for long term funding of £734,615 due to the parent company, Red Girl Productions Ltd. The parent company has confirmed that it will not demand payment of this amount until the company is in a position to pay and accordingly the directors have prepared the financial statements on the going concern basis

2 Turnover	2006	2005
Turnover attributable to geographical markets outside the UK	95.9%	64.0%
3 Interest payable	2006	2005
	£	£
Interest payable	43	-
4 Taxation	2006	2005
	£	£
Group tax relief	(2,346)	(48,158)

Red Girl Records Ltd
Notes to the Accounts
for the year ended 31 August 2006

5 Debtors			2006	2005
			£	£
Trade debtors			12,424	235,446
Amounts owed from group undertaking			9,396	13,028
Other debtors			<u>76,838</u>	<u>17,056</u>
			<u>98,658</u>	<u>265,530</u>
 6 Creditors: amounts falling due within one year			2006	2005
			£	£
Bank loans and overdrafts			-	21,015
Trade creditors			6,259	138,706
Other taxes and social security costs			-	9,567
Other creditors			<u>36,675</u>	<u>39,598</u>
			<u>42,934</u>	<u>208,886</u>
 7 Creditors: amounts falling due after one year			2006	2005
			£	£
Amounts owed to parent undertaking			<u>734,615</u>	<u>625,427</u>
 8 Share capital			2006	2005
			£	£
Authorised				
Ordinary shares of £1 each			<u>1,000,000</u>	<u>1,000,000</u>
	2006	2005	2006	2005
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	100	100	<u>100</u>	<u>100</u>
 9 Profit and loss account			2006	2005
			£	£
At 1 September			(563,019)	(47,615)
Loss for the year			(6,066)	(515,402)
			<u>(569,085)</u>	<u>(563,017)</u>
At 31 August				

Red Girl Records Ltd
Notes to the Accounts
for the year ended 31 August 2006

10 Related parties

The £734,615 (2005- £625,427) owing to the parent company, Red Girl Productions Ltd, relates to a non-interest bearing loan on which there is no fixed repayment date

There is £9,396 (2005-£13,028) due from Red Girl Touring Ltd M J Chisholm is a director of Red Girl Touring Ltd

The company was charged £60,000 (2005-£60,000) for the provision of management services by 45 Management Ltd in which N Phillips is a director and controlling party

11 Controlling party

The immediate and ultimate parent company, and the immediate controlling party, is Red Girl Productions Ltd, a company incorporated in Great Britain The ultimate controlling party is considered to be M J Chisholm

Red Girl Records Ltd
Profit and Loss Account
for the year ended 31 August 2006
for the information of the directors only

	2006	2005
	£	£
Sales	317,308	401,108
Cost of sales	(237,045)	(756,089)
Gross profit/(loss)	<u>80,263</u>	<u>(354,981)</u>
Distribution costs	(10,030)	(89,178)
Administrative expenses	(78,739)	(119,554)
Other operating income	-	150
Operating loss	<u>(8,506)</u>	<u>(563,563)</u>
Interest receivable	137	3
Interest payable	(43)	-
Loss before tax	<u>(8,412)</u>	<u>(563,560)</u>

Red Girl Records Ltd
Schedule to the Profit and Loss Account
for the year ended 31 August 2006
for the information of the directors only

	2006	2005
	£	£
Sales		
Advances	-	124,396
Intl promotion contributions	58,800	4,150
Licence income	-	1,000
PPL income	5,038	-
VPL income	9,870	-
Record sales	235,745	256,498
Video contributions	7,855	15,064
	<u>317,308</u>	<u>401,108</u>
Cost of sales		
Agents commission	39,971	18,177
Band royalties	4,425	5,592
Consultant royalties	1,475	1,864
Copyright royalties	571	22,703
CD albums	2,000	-
Manufacturing costs	-	67,918
Mastering	5,223	-
Packaging	-	5,294
Promotion	-	84,470
Marketing	14,235	23,991
Musician fees	3,349	38,575
Photography	1,486	39,749
Pre-production costs	750	4,709
Press & Promotion	4,987	48,045
Producer fees	4,500	74,051
Producer royalties	14,966	621
Recording costs	-	14,099
Studio costs	10,325	88,490
Video production	-	142,169
Artwork	1,800	18,900
International promotion	66,982	-
Increase in stocks	-	(3,328)
Management charges	60,000	60,000
	<u>237,045</u>	<u>756,089</u>
Distribution costs		
Distribution costs	<u>10,030</u>	<u>89,178</u>
Administrative expenses		
Travel and subsistence	7,307	14,764
Entertaining	588	4,887
	<u>7,895</u>	<u>19,651</u>

Red Girl Records Ltd
Schedule to the Profit and Loss Account
for the year ended 31 August 2006
for the information of the directors only

	2006 £	2005 £
General administrative expenses		
Telephone and fax	-	450
Postage	1,323	3,864
Stationery and printing	-	3,112
Information and publications	-	13
Subscriptions	-	350
Bank charges	643	548
Equipment hire	-	10,506
Bad debts	17,836	-
Website	7,499	16,558
Irrecoverable Withholding Tax	4,660	2,992
Stage clothes	1,461	-
Tapes etc	189	-
Sundry expenses	2,383	3,209
	<u>35,994</u>	<u>41,602</u>
Legal and professional costs		
Accountancy fees	19,815	14,885
Solicitors fees	15,035	17,916
Consultancy fees	-	25,500
	<u>34,850</u>	<u>58,301</u>
	<u>78,739</u>	<u>119,554</u>
Other operating income		
Other operating income	-	150