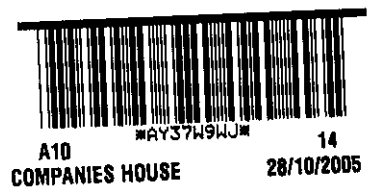


**Registered number:** 4170704

**PHOENIX SOUND LIMITED**  
**DIRECTORS' REPORT**  
**AND FINANCIAL STATEMENTS**  
for the year ended 31 December 2004



## PHOENIX SOUND LIMITED

---

### COMPANY INFORMATION

---

<b>Directors</b>	P J Fielder (appointed 1/3/2001) J F Woolley (resigned 24/01/2004)
<b>Secretary</b>	P J Fielder
<b>Company number</b>	4170704
<b>Registered office</b>	Parkville House 16 Bridge Street Pinner Middlesex HA5 3JD
<b>Accountants</b>	Alan Secker & Co Chartered Accountants Parkville House 16 Bridge Street Pinner Middlesex HA5 3JD

## PHOENIX SOUND LIMITED

---

### Contents

---

	Page
Director's report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 10
<i>The following pages do not form part of the statutory accounts:</i>	
Revenue Account and supporting Schedules	6 - 10

# Phoenix Sound Limited

## DIRECTOR'S REPORT

For the year ended 31 December 2004

The director presents his report and the financial statements for the year ended 31 December 2004.

### Statement of director's responsibilities

Company law requires the director to prepare financial statements for each financial year which 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

### Principal activities

The company's principal activity continues to be that of Recording Studios.

### Director

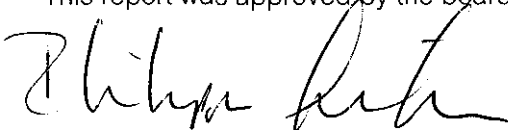
The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary shares of £1 each	
	<u>31/12/04</u>	<u>1/1/04</u>
P J Fielder (appointed 1/3/2001)	700	700 *
J F Woolley (resigned 24/01/2004)	150	150

(\* held on date of appointment)

The report of the director 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 21 October 2005 and signed on its behalf.



**P J Fielder**  
Secretary

---

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE  
UNAUDITED FINANCIAL STATEMENTS OF PHOENIX SOUND LIMITED**

---

In accordance with the engagement letter dated 6 March 2001 and in order to assist you to fulfill your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet prepared as at 31 December 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



**Alan Secker & Co**

Chartered Accountants

Parkville House  
16 Bridge Street  
Pinner  
Middlesex  
HA5 3JD

21 October 2005

**PHOENIX SOUND LIMITED****PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2004

	Note	Year Ended 31 December 2004 £	Year Ended 31 December 2003 £
<b>TURNOVER</b>		<b>378,931</b>	574,483
Cost of sales		<b>(73,509)</b>	(112,796)
<b>GROSS PROFIT</b>		<b>305,422</b>	461,687
Administrative expenses		<b>(265,540)</b>	(418,330)
Other operating income		<b>(8,729)</b>	345
<b>OPERATING PROFIT</b>		<b>31,153</b>	43,702
Interest receivable		-	58
Interest payable		<b>(15,814)</b>	(19,870)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>15,339</b>	23,890
Tax on profit on ordinary activities		-	(1)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>15,339</b>	23,889
Dividends		<b>(7,000)</b>	(4,083)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>£ 8,339</b>	£ 19,806

The notes on pages 6 to 10 form part of these financial statements.

**PHOENIX SOUND LIMITED**

**Balance sheet  
As at 31 December 2004**

	Note	£	2004	£	£	2003	£
<b>FIXED ASSETS</b>							
Tangible fixed assets				250,321			321,986
<b>CURRENT ASSETS</b>							
Stocks		8,464				-	
Debts factored with recourse:							
Gross debts (after provision for charges)		8,362			50,251		
Other debtors		22,750			66,854		
Cash at bank and in hand		3,682			12,145		
				<u>43,258</u>		<u>129,250</u>	
<b>Creditors:</b> amounts falling due within one year				<u>(55,072)</u>		<u>(224,630)</u>	
<b>NET CURRENT LIABILITIES</b>				<u>(11,814)</u>		<u>(95,380)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<u>238,507</u>		<u>226,606</u>	
<b>Creditors:</b> amounts falling due after more than one year				<u>(73,051)</u>		<u>(69,489)</u>	
<b>NET ASSETS</b>				<u>£ 165,456</u>		<u>£ 157,117</u>	
<b>CAPITAL AND RESERVES</b>							
Called up share capital				101,000			101,000
Share premium account				99,700			99,700
Profit and loss account				(35,244)			(43,583)
<b>SHAREHOLDERS' FUNDS</b>				<u>£ 165,456</u>		<u>£ 157,117</u>	

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 21 October 2005 and signed on its behalf.

**PHOENIX SOUND LIMITED**

---



**P J Fielder**

Director

The notes on pages 6 to 10 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**1.2 Cash flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

**1.3 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and equipment	-	15% and 7 year straight line
Fixtures and fittings	-	15% straight line
Office equipment	-	15% straight line

**1.5 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.6 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2. OTHER OPERATING INCOME**

	Year Ended 31 December 2004 £	Year Ended 31 December 2003 £
Other Operating Income	(8,729)	345

**PHOENIX SOUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>Year Ended 31 December 2004</b>	<i>Year Ended 31 December 2003</i>
	£	£
Depreciation of tangible fixed assets	<b>25,137</b>	<b>30,147</b>

**4. DIRECTOR'S REMUNERATION**

	<b>Year Ended 31 December 2004</b>	<i>Year Ended 31 December 2003</i>
	£	£
Aggregate emoluments	<b>£ 27,000</b>	<b>£ 36,000</b>

**5. TAXATION**

	<b>Year Ended 31 December 2004</b>	<i>Year Ended 31 December 2003</i>
	£	£
UK Corporation tax	<b>£ -</b>	<b>£ 1</b>

**PHOENIX SOUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>Year Ended 31 December 2004</b>	<b>Year Ended 31 December 2003</b>
	£	£
Depreciation of tangible fixed assets	<b>25,137</b>	<b>30,147</b>

**4. DIRECTOR'S REMUNERATION**

	<b>Year Ended 31 December 2004</b>	<b>Year Ended 31 December 2003</b>
	£	£
Aggregate emoluments	<b>£ 27,000</b>	<b>£ 36,000</b>

**5. TAXATION**

	<b>Year Ended 31 December 2004</b>	<b>Year Ended 31 December 2003</b>
	£	£
UK Corporation tax	<b>£ -</b>	<b>£ 1</b>

**PHOENIX SOUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**6. TANGIBLE FIXED ASSETS**

	Plant and machinery	Furniture, fittings and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2004	314,491	68,350	382,841
Additions	5,290	-	5,290
Disposals	(21,723)	(47,333)	(69,056)
	<u>298,058</u>	<u>21,017</u>	<u>319,075</u>
At 31 December 2004			
<b>Depreciation</b>			
At 1 January 2004	42,432	18,423	60,855
Charge for the year	21,775	3,362	25,137
On disposals	(4,853)	(12,385)	(17,238)
	<u>59,354</u>	<u>9,400</u>	<u>68,754</u>
At 31 December 2004			
<b>Net book value</b>			
At 31 December 2004	£ 238,704	£ 11,617	£ 250,321
At 31 December 2003	£ 272,059	£ 49,927	£ 321,986

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2004 £	2003 £
Plant and machinery	£ 71,333	£ 97,904

**7. DEBTORS**

	2004 £	2003 £
<b>Due within one year</b>		
Trade debtors excluding factored debts	18,636	-
Other debtors	4,114	66,854
	<u>£ 22,750</u>	<u>£ 66,854</u>
Gross factored debts outstanding at 31 December 2004	£ 8,362	£ 50,251

**PHOENIX SOUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**8. CREDITORS:**

**Amounts falling due within one year**

	2004 £	2003 £
Bank loans and overdrafts	1,290	23,810
Net obligations under finance leases and hire purchase contracts	21,838	46,334
Trade creditors	10,794	122,568
Social security and other taxes	10,890	15,318
Other creditors	10,260	16,600
	<u>£ 55,072</u>	<u>£ 224,630</u>

**9. CREDITORS:**

**Amounts falling due after more than one year**

	2004 £	2003 £
Loans other than bank loans	60,086	30,000
Net obligations under finance leases and hire purchase contracts	12,965	39,489
	<u>£ 73,051</u>	<u>£ 69,489</u>

**10. SHARE CAPITAL**

	2004 £	2003 £
<b>Authorised</b>		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
100,000 7% Cumulative Preference shares of £1 each	100,000	100,000
	<u>£ 1,100,000</u>	<u>£ 1,100,000</u>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
100,000 7% Cumulative Preference shares of £1 each	100,000	100,000
	<u>£ 101,000</u>	<u>£ 101,000</u>

**PHOENIX SOUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**11. RESERVES**

**Share premium account**

At 1 January 2004

£

99,700

At 31 December 2004

£ 99,700

**Profit and loss account**

At 1 January 2004

2004

2003

£

(43,583)

Profit retained for the year

8,339

At 31 December 2004

£ (35,244)

**12. OPERATING LEASE COMMITMENTS**

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

**Expiry date:**

Within 1 year

Between 2 and 5 years

2004

£

46,000

26,000

2003

£

160,000

80,000

**13. CONTROLLING PARTY**

The Controlling Party is Mr P J Fielder who owns 70% of the Issued Ordinary Share Capital of the Company.