

Company Registration No 06058541 (England and Wales)

IMPERIAL MUSIC & MEDIA PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2011

THURSDAY



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IMPERIAL MUSIC & MEDIA PLC

COMPANY INFORMATION

Directors	Mr G Collier Mr N Graves
Secretary	Nominee Secretaries Limited
Company number	06058541
Registered office	1 Bacon Lane Hayling Island Hants PO11 ODN
Auditors	Welbeck Associates Chartered Accountants and Statutory Auditors 31 Harley Street London W1G 9QS
Business address	1 Bacon Lane Hayling Island Hants PO11 ODN

IMPERIAL MUSIC & MEDIA PLC

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IMPERIAL MUSIC & MEDIA PLC

AUDITED RESULTS FOR THE PERIOD ENDED 31st JANUARY 2011

CHAIRMAN'S STATEMENT

Introduction

The Board is pleased to present the final audited results for Imperial Music & Media Plc ("the Company") for the year ended 31st January 2011. Imperial Music & Media Plc is an investment vehicle seeking investment and acquisition opportunities in the music talent, music and media markets. The Directors believe that there are a number of potentially attractive investment opportunities in developing musical talent from discovery, through artist development, to album production and market release and developing the media and music revenue streams that derive from that talent.

Results

The Company achieved a loss for the year up to 31st January 2011 of (£126,056).

Loss per ordinary share amounted to 6p in the period.

Review

During this period, the Company was admitted to trading on PLUS and therefore incurred admission costs.

Within 3 months of admission, the Company announced on 21st September 2010, that Patricia Hammond had signed an exclusive recording, publishing and management contract with the Company for an initial term of 5 years, renewable with the consent of both parties.

British-Canadian mezzo-soprano, Patricia Hammond studied singing in Canada and Switzerland before moving to the UK in 2001. She has appeared as an oratorio soloist in Europe and North America, as well as London's Queen Elizabeth and Royal Festival Halls under Ivan Fischer and Sir Simon Rattle with the Orchestra of the Age of Enlightenment, and recently performed in Geneva's Victoria Hall as part of the Fete de la Musique. In addition, Patricia has appeared at the Wexford Festival, Covent Garden's Linbury Theatre and the Herodius Atticus Theatre in Athens to sing opera. She has been featured on BBC Radio 3 and BBC4 Television, and Radio 4's "Midweek" with Libby Purves in April 2010. "Le Charme", her CD of French songs, was Editor's Choice in the American Record Guide in 2007, and she has just released "One Day When We Were Young" on a Sony compilation of nostalgic favourites.

In addition to her work in classical music, she is a fervent researcher of popular songs from bygone eras, and sings with the Piccadilly Dance Orchestra, one of the UK's best 1930s-style dance bands.

Since Imperial Music signed Patricia, her self-penned article featured in the Saturday Telegraph magazine, and was then syndicated to The Week. This year she has performed three regional tours of retirement homes in the UK including Yorkshire, Jersey, South and West London. In addition to the matinee shows, she has performed in West End clubs (the Experimental Cocktail Club and Passing Clouds) with repertoire from her newly recorded album *Our Lovely Day*, which we are releasing later this year.

We continue to pursue other opportunities and continue to market Patricia Hammond. We hope to make a further announcement in the near future.



Mr G Collier
Director
24th June 2011

IMPERIAL MUSIC & MEDIA PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2011

The directors present their report and financial statements for the year ended 31 January 2011

Principal activities and review of the business

Imperial Music & Media Plc is a company established by the directors as an investment vehicle to seek investment and acquisition opportunities in the music talent, music and media markets. A review of the business is included in the Chairman's statement.

Principal risks and uncertainties

Following the company's listings on the PLUS market, the principal business risk is that the directors may not be able to conclude agreements for the acquisition of suitable investments that meet the criteria of its new business strategy.

The financial risks to which the company is exposed and the company's strategy in connection with managing these risks is detailed within the financial statements. These risks relate to the company's current activities to seek investment opportunities in the music and media markets.

Creditor payment policy

The company abides by its policy to pay suppliers within their credit terms. The trade creditors outstanding at the balance sheet date were all paid subsequently within their credit terms. Trade creditor days at the end of the year were 17 days.

Results and dividends

The results for the year are set out on page 6.

Directors

The following directors have held office since 1 February 2010:

Mr G Collier

Mr N Graves

IMPERIAL MUSIC & MEDIA PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2011

Statement of directors responsibilities

The directors are responsible for preparing 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 by law 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 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,
- state whether applicable accounting standards have been followed, 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 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr G Collier
Director
24 June 2011

IMPERIAL MUSIC & MEDIA PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IMPERIAL MUSIC & MEDIA PLC

We have audited the financial statements of Imperial Music & Media Plc for the year ended 31 January 2011 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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

As explained more fully in the Directors' Responsibilities Statement, 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and overall presentation of the financial statements.

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 31 January 2011 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

IMPERIAL MUSIC & MEDIA PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF IMPERIAL MUSIC & MEDIA PLC

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



Jonathan Bradley-Hoare MA FCA AMCT (Senior Statutory Auditor)

for and behalf of Welbeck Associates

Chartered Accountants and Registered Auditor

31 Harley Street

London

W1G 9QS

30/6/11

IMPERIAL MUSIC & MEDIA PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2011

	Notes	2011 £	2010 £
Cost of sales		(11,100)	-
Administrative expenses		(114,956)	(1,618)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2	(126,056)	(1,618)
Tax on loss on ordinary activities	3	-	-
		<hr/>	<hr/>
Loss for the year	7	(126,056)	(1,618)
		<hr/> <hr/>	<hr/> <hr/>
		2011	2010
Earnings per share expressed in pence per share			
Basic and fully diluted loss per share	12	(0 06)	(0 00)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

IMPERIAL MUSIC & MEDIA PLC

BALANCE SHEET

AS AT 31 JANUARY 2011

	Notes	2011		2010	
		£	£	£	£
Current assets					
Debtors	4	9,023		47,864	
Cash at bank and in hand		168,421		893	
		<u>177,444</u>		<u>48,757</u>	
Creditors: amounts falling due within one year	5	(15,643)		(375)	
Total assets less current liabilities		<u>161,801</u>		<u>48,382</u>	
Capital and reserves					
Called up share capital	6	289,474		50,000	
Profit and loss account	7	(127,673)		(1,618)	
Shareholders' funds	8	<u>161,801</u>		<u>48,382</u>	

Approved by the Board and authorised for issue on 24 June 2011


Mr G Collier
Director

Company Registration No. 06058541

IMPERIAL MUSIC & MEDIA PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2011

	£	2011 £	£	2010 £
Net cash outflow from operating activities		(71,946)		893
		<hr/>		<hr/>
Net cash inflow/(outflow) before management of liquid resources and financing		(71,946)		893
Financing				
Issue of ordinary share capital	239,474		-	
	<hr/>		<hr/>	
Net cash inflow/(outflow) from financing		239,474		-
		<hr/>		<hr/>
Increase in cash in the year		167,528		893
		<hr/> <hr/>		<hr/> <hr/>

IMPERIAL MUSIC & MEDIA PLC

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2011

1	Reconciliation of operating loss to net cash (outflow)/inflow from operating activities		2011	2010	
			£	£	
	Operating loss		(126,056)	(1,618)	
	Decrease in debtors		38,842	2,136	
	Increase in creditors within one year		15,268	375	
			<u> </u>	<u> </u>	
	Net cash (outflow)/inflow from operating activities		(71,946)	893	
			<u> </u>	<u> </u>	
2	Analysis of net funds	1 February 2010	Cash flow	Other non- cash changes	31 January 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	893	167,528	-	168,421
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Bank deposits	-	-	-	-
	Net funds	893	167,528	-	168,421
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
3	Reconciliation of net cash flow to movement in net funds		2011	2010	
			£	£	
	Increase in cash in the year		167,528	893	
			<u> </u>	<u> </u>	
	Movement in net funds in the year		167,528	893	
	Opening net funds		893	-	
			<u> </u>	<u> </u>	
	Closing net funds		168,421	893	
			<u> </u>	<u> </u>	

IMPERIAL MUSIC & MEDIA PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Taxation

The charge for taxation is based on the results for the year adjusted for items which are tax exempt or are not tax deductible. Tax is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

1.4 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.5 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2 Operating loss	2011	2010
	£	£
Operating loss is stated after charging Fees payable to the company's auditor for the audit of the company's annual accounts	7,500	-
	<u>7,500</u>	<u>-</u>
3 Taxation	2011	2010
Total current tax	-	-
	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(126,056)	(1,618)
	<u>(126,056)</u>	<u>(1,618)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2010: 21.00%)	(26,472)	(340)
	<u>(26,472)</u>	<u>(340)</u>
Effects of Unutilised tax losses	26,472	340
	<u>26,472</u>	<u>340</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The company has trading losses of £127,674 that are to be carried forward.

The company has not recognised a deferred tax asset in respect of these losses as there is insufficient evidence of future taxable profits. The potential deferred tax on losses is £26,812 (2010: £340).

IMPERIAL MUSIC & MEDIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2011

4 Debtors	2011	2010
	£	£
Called up share capital not paid	-	37,500
Other debtors	3,594	-
Prepayments and accrued income	5,429	10,364
	<u>9,023</u>	<u>47,864</u>
	<u><u>9,023</u></u>	<u><u>47,864</u></u>
5 Creditors' amounts falling due within one year	2011	2010
	£	£
Trade creditors	5,870	-
Accruals and deferred income	9,773	375
	<u>15,643</u>	<u>375</u>
	<u><u>15,643</u></u>	<u><u>375</u></u>
6 Share capital	2011	2010
	£	£
Authorised		
1,000,000,000 Ordinary shares of £0 001 each	<u>1,000,000</u>	<u>1,000,000</u>
	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>
Allotted, called up and fully paid		
289,474,000 Ordinary shares of £0 001 each	<u>289,474</u>	<u>50,000</u>
	<u><u>289,474</u></u>	<u><u>50,000</u></u>

On 2nd June 2010, 225,000,000 £0 001 ordinary shares were allotted and fully paid at par value

On 25th October 2010, 14,473,684 £0 001 ordinary shares were allotted and fully paid at par value on the exercise of warrants

Warrants

On 10th April 2010, 100,000,000 warrants were issued, exercisable at £0 001 per share at any time within three years from the date of its issue. The warrants were outstanding at the balance sheet date

7 Statement of movements on profit and loss account	Profit and loss account
	£
Balance at 1 February 2010	(1,617)
Loss for the year	(126,056)
	<u>(127,673)</u>
Balance at 31 January 2011	<u><u>(127,673)</u></u>

IMPERIAL MUSIC & MEDIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2011

8 Reconciliation of movements in shareholders' funds	2011	2010
	£	£
Loss for the financial year	(126,056)	(1,618)
Proceeds from issue of shares	239,474	-
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	113,418	(1,618)
Opening shareholders' funds	48,382	50,000
	<hr/>	<hr/>
Closing shareholders' funds	<u>161,801</u>	<u>48,382</u>

9 Directors' remuneration	2011	2010
	£	£
Remuneration for qualifying services	16,000	-
	<hr/>	<hr/>

10 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011	2010
	Number	Number
Administrative staff	2	2
	<hr/>	<hr/>

Employment costs

	2011	2010
	£	£
Wages and salaries	16,000	-
	<hr/>	<hr/>

11 Risk management objectives and policies

The company is exposed to a variety of financial risks which result from its operating activities. The company's risk management is coordinated by the board of directors and focuses on minimising potential adverse effects on the financial performance of the company.

Capital risk management

The company is currently financed through equity and manages its capital to ensure that it has sufficient financial resources to implement its planned operations while maximising the return to stakeholders. Details of additional equity raised in the year are set out in note 6.

IMPERIAL MUSIC & MEDIA PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2011

Risk management objectives and policies continued

Interest rate risk

As the company is equity financed the only interest rate risk arises on cash balances. No sensitivity analysis has been presented as the effect of reasonably possible movements are not material.

Credit risk

The company's financial instruments that are subject to credit risk are considered to be cash and cash equivalents and its exposure to credit risk is not material. The credit risk for cash and cash equivalents is considered negligible since the counter parties are reputable banks.

Liquidity risk

Liquidity risk is managed through an assessment of short, medium and long term cash flow forecasts to ensure the adequacy of working capital. Short term liquidity is managed through short term deposits. Trade and other payables are all payable within six months and the company's policy is to ensure that it always has sufficient cash to allow it to meet its liabilities when they become due.

12 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below:

	2010	2009
	£	£
Profit/(loss) for the purpose of basic and diluted loss per ordinary share	125,056	(1,618)
Weighted average number of ordinary shares in issue during the year	203,680,606	50,000,000
Basic and fully diluted loss per ordinary share	(0.06)	(0.00)

13 Related parties

Mr N Graves is a director of Innate Music Limited which has invoiced the company £6,000 in respect of his services, which is included in directors' remuneration, and £6,459 for expenses incurred on behalf of the company.

14 Control

Up until 6 June 2010, the immediate parent company was Ashwillow Limited by virtue of its 92% shareholding. The ultimate controlling party of Ashwillow Limited is Mr T Burnett. On 6 June 2010 a further 225,000,000 ordinary shares were issued which diluted this holding to 17%. From that date the company was not controlled by any shareholder.