

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

This Document has been drawn up in accordance with the requirements of the PLUS Rules for issuers on the PLUS market and is not a prospectus for the purpose of FSMA or otherwise. The Company and the Directors of Imperial Music & Media Plc, whose names appear on page 3, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Company and its Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The share capital of the Company is not presently listed or dealt in on any stock exchange.

**The PLUS-quoted Market, which is operated by PLUS Markets plc, a recognised investment exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and PLUS-quoted securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in PLUS-quoted securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

**Imperial Music & Media Plc is required by PLUS Markets Plc to appoint a PLUS Corporate Adviser to apply on its behalf for admission to the PLUS-quoted market and must retain a PLUS Corporate Adviser at all times. The responsibility and duties of a PLUS Corporate Adviser are set out in the PLUS Rules for Issuers.**

The bid-offer spread of the Ordinary Shares can be wide, which indicates a lack of liquidity, resulting in it being more difficult to trade in the Ordinary Shares. It also means that share prices have to move further in order for trades to become profitable. The Ordinary Share are classed as 'penny shares' under FSA rules. The price quoted on the PLUS-quoted Market for the Ordinary Shares is the mid-market price. The Company can give no assurance that an active trading market for the Ordinary Shares will develop or, if developed, be sustained following their admission to the PLUS-quoted Market. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected.

It is emphasised that no application is being made for admission of these securities to the Official List or to trading on AIM. Any individual wishing to buy or sell securities which are traded on the PLUS-quoted market must trade through a stockbroker (being a member of PLUS and regulated by the FSA) as the market's facilities are not available directly to the public.

Application will be made for the entire issued share capital of the Company to be introduced to trading on PLUS. It is expected the Admission will take place on 27<sup>th</sup> April 2010.

**The whole of this Document should be read and in particular your attention is drawn to Part II of this Document which sets out certain risk factors. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors. The Company is a newly formed company which has no existing business record.**

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# Imperial Music & Media PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 06058541)*

## Admission to trading on PLUS Quoted

PLUS Corporate Adviser

Rivington Street Corporate Finance Limited

### SHARE CAPITAL ON ADMISSION

Issued £0.001 Ordinary Shares

*Amount*  
£275,000

*Number*  
275,000,000

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**Rivington Street Corporate Finance Limited**, which is authorised and regulated by the FSA and is a member of PLUS, is the Company's Corporate Adviser for the purposes of the Admission. **Rivington Street Corporate Finance Limited** has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors are solely responsible.

The advisers named on page 3 are acting for the Company and for no one else in relation to the arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of such advisers or for providing advice in relation to the Admission.

**An investment in Imperial Music & Media Plc involves a high degree of risk and prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances, the financial resources available to them and after receiving appropriate professional advice.**

This document is not for distribution outside the United Kingdom and, in particular, it should not be distributed to persons with addresses in Canada, Australia, Japan, South Africa or the Republic of Ireland or to persons with addresses in the United States of America, its territories or possessions or to any citizen thereof or to any corporation, partnership or other entity created or organised under the laws thereof. Any such distribution could result in the violation of Canadian, Australian, Japanese, South African, Irish or relevant United States of America law.

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## **FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Parts I and II of this document.

The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this document headed "Risk Factors". If one or more of these risk factors or uncertainties materialises, or if the underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by PLUS Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

### ADMISSION STATISTICS AND EXPECTED TIMETABLE

PLUS Admission document publication date	9 <sup>th</sup> April 2010
Admission and commencement of dealings on PLUS	8.00 AM on 9 June 2010
Total number of Ordinary Shares in issue immediately following Admission	275,000,000
ISIN	<u>GB00B577Y390</u>

## **DIRECTORS, SECRETARY and ADVISERS**

### **Directors**

Gregory Collier (Non-Executive Director)  
Nathan Grant Graves (Managing Director)

### **Company Secretary**

Nominees Secretaries Ltd

### **Registered Office**

1 Bacon Lane  
Hayling Island  
PO11 0DN

### **Telephone number**

0239 2463000

### **PLUS Corporate Adviser**

Rivington Street Corporate Finance Limited  
44-46 New Inn Yard  
London  
EC2A 3EY

### **Reporting Accountants**

Saffery Champness  
Lion House  
Red Lion Street  
London  
WC1R 4GB

### **Solicitors to the Company**

Collyer Bristow LLP  
4 Bedford Row  
London  
WC1R 4DF

### **Auditors**

Welbeck Associates  
31 Harley Street  
London  
W1G 9QS

### **Bankers**

Barclays Bank Plc  
Po Box 16294  
1/2 Trinity Way  
Chingford  
London  
BX3 2BB

### **Registrars**

Share Registrars Limited  
Craven House  
West Street  
Farnham  
Surrey  
GU9 7EN

## DEFINITIONS

The following terms apply in this Document unless the context requires otherwise:

“Act”	the Companies Act 2006, (to the extent the same is in force)
“Admission”	admission of the Ordinary Shares to trading on PLUS – quoted market
“AIM”	the market of that name operated by London Stock Exchange Plc
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company
“Company” or “Imperial”	Imperial Music & Media Plc
“Companies Acts”	the 1985 Act and the 2006 Act
“CREST”	the relevant system (as defined in the CREST Regulations) in accordance with which securities may be held or transferred in uncertificated form, and in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended, and any applicable rules made under those regulations
“Document”	this document
“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited the operator of Crest
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“London Stock Exchange”	London Stock Exchange Plc
“Rivington”	Rivington Street Corporate Finance Limited, a company authorised and regulated by the FSA
“Ordinary Shares”	ordinary shares of £0.001 each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Placees”	those persons subscribing for the Placing Shares in the Placing at the Placing Price
“Placing”	the placing of the Placing Shares as described in this document
“Placing Price”	£0.001 per Ordinary Share
“Placing Shares”	225,000,000, new Ordinary Shares issued pursuant to the Placing at the Placing Price
“PLUS”, “PLUS-quoted” or “PLUS Markets”	the PLUS – quoted market operated by PLUS which allows trading of shares in unlisted companies.
“PLUS Rules”	the PLUS Rules for issuers containing application requirements for admission to the PLUS - quoted market; requirements as to the continuing obligations of PLUS-quoted issuers once admitted; and guidance notes

“Shareholders”	holders of Ordinary Shares from time to time
“Takeover Code”	the Takeover Code published by the Panel
“UK Listing Authority”	the Financial Services Authority acting in its capacity as a competent authority for the purposes of Part VI of FSMA

In this document use of the singular includes the plural and vice versa, unless the context otherwise requires.

**PART I**  
**INFORMATION ON THE COMPANY**

**1. Introduction**

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.

The Directors believe that there are a number of potentially attractive investment opportunities in the music talent, music and media sectors, 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.

The Directors have therefore decided to seek a PLUS - quoted listing and trading facility for the Company that will look to explore and exploit investments or acquisitions in these sectors. Part I of this Document describes the Company's intended strategy and its management.

**2. Investment Strategy**

In the first instance the Company will limit itself to developing opportunities and making investments in new musical talent within the UK music industry, predominantly in the areas of rock, jazz and easy listening. However the Directors do not preclude taking advantage of opportunities outside these genres in the event it is prudent and beneficial to do so. It is anticipated that investment will be by way of investing capital in to and the management and development of new talent, or acquiring and managing the rights and revenues to existing artists catalogues and/or managing existing recorded artists. The Directors intend that the initial opportunities will be carefully selected taking account of available resources.

The Directors believe they have the relevant music industry, corporate and investment experience to deliver opportunities and intend to utilise this experience in making the investments and acquisitions in the chosen sectors. They will use their collective experience to identify appropriate investment opportunities undertake due diligence and negotiate agreements. However in the event that the Company has not made a material investment within one year following admission it will either seek shareholders' approval in respect of each subsequent year for the further pursuit of its investment strategy such approval will be sought in each subsequent year if it has not made by then a material investment, or where applicable, return its remaining cash to shareholders.

It is intended that the Company will be involved in the day-to-day management of talent and assets that the Company has invested in.

**3. Investment Development Criteria**

The Company will seek investment and management opportunities which can be developed through the investment of capital or where part of or all of the consideration could be satisfied by the issue of new ordinary shares or other securities in the Company. The opportunities would generally have some or all of the following characteristics, namely:

- Opportunities initially in the Company's target sectors of rock, jazz or easy listening.
- Assets that have a strategic fit with the Company's target sectors.
- Recognition and development of new music talent.
- Development and management of existing artist and their music catalogues
- Music and media assets which have potential for significant asset or intellectual property value and could present opportunities for consolidation or further development for expansion
- The Directors will also consider loss-making music and media assets where, in their opinion, there is a clear opportunity to develop a profitable business and make savings through integration.

**4. Placing and Warrant**

Prior to Admission the Company undertook and completed a placing of 225,000,000 of new ordinary shares at £0.001 raising £225,000. The Placing Shares rank equally with the Ordinary Shares and in full for any dividends and other distributions paid or made in respect of the Ordinary Shares after the

Admission. Further to the Placing the Company has granted Ashwillow Limited, a founder shareholder a non-assignable warrant, which is exercisable in whole or part, to subscribe for up to an additional 100,000,000 Ordinary Shares at the placing price of £0.001 per Ordinary Share.

## **5. Directors**

### **Gregory Collier - Non-Executive Director (aged 49)**

Gregory Collier has 28 years of financial and commercial experience, having been involved in running businesses in contract cleaning, leisure, restaurant, property, and toy distribution. In 1980, Gregory founded 'Office Kleen General Maintenance' a building maintenance and services company which was subsequently acquired by Initial Services (now part of Rentokil Group). In 1986 Gregory founded one of the first paintball leisure centres in the UK and subsequently was a partner in a number of entertainment and fitness ventures, including a Mayfair club and restaurant and a fitness centre in London. More recently he has been involved in a toy distribution business and as Chairman of PLUS quoted Metroelectric PLC, which is building an electric vehicle business.

### **Nathan Grant Graves - Managing Director (aged 45)**

Nathan has over 20 years' experience in the music industry. After managing records shops in New Zealand he joined PolyGram Records (New Zealand), progressing to the role of Marketing Manager. Whilst at PolyGram, Nathan worked with artists including Bon Jovi, U2, Sting, Metallica and Elton John. In 1998 Nathan was promoted to Head of Jazz for Universal Music Group UK, marketing acts like Diana Krall, George Benson, Herbie Hancock, Us3 and Ella Fitzgerald. He also created compilation albums including the multi-platinum "the Very Best of Smooth Jazz". Whilst at Universal Nathan was instrumental in signing Jamie Cullum in 2003, now with 4 million album sales and multi-platinum awards across 23 countries. Nathan left Universal in 2004 and now acts as an independent consultant to many top end brands and music labels including clients such as Sony Music, Marks and Spencer, Ministry of Sound, BBC Music, EMI Music International and Universal Music Group.

## **6. Reasons for the Admission and Use of Funds**

The Directors consider that the benefits of the Placing and Admission include:

- The ability to enter into discussions, agreements and transactions with individuals and companies, to whom the issue of publicly traded shares as consideration is potentially attractive.
- The increased potential to raise further funds in the future, either to raise additional working capital or development capital for the Company, to enable a proposed acquisition or investment to be completed or to provide further working capital once the acquisition or investment has been completed.
- The increased potential to attract further high quality directors and employees by offering share options at some time in the future. The Directors believe that the ability to grant options over PLUS quoted shares is potentially more attractive to directors and employees than the grant of options over unquoted shares.

The Directors also believe that the principal benefits of the Admission are the ability to heighten the Company's profile whilst also broadening the Company's investor base.

The Directors are of the opinion that the Company has sufficient funds necessary for the Company to carry out its business plan and identify and carry out due diligence on potential acquisition and investment targets and to provide working capital for the Company's initial operations in line with its corporate strategy as set out in this Document.

The Company will use the funds available for working capital and administration purposes and to provide the investment required to fulfil its business.

## **7. Employee Share Options**

In order to incentivise the management of the Company and any other interest that the Company acquires, the Directors will, at an appropriate time, consider adopting a suitable share option scheme or schemes, although no such schemes are presently in place.

## **8. Corporate Governance and Internal Controls**

The Directors recognise the importance of sound corporate governance, whilst taking into account the size and nature of the Company. As the Company grows, the Directors intend that the Company should develop policies and procedures, which reflect the principles of good governance and Code of Best Practice, as published by the Committee on Good Governance (commonly known as the "Combined Code"), to the extent that they are appropriate to the size of the Company.

The Directors (including members of their family and connected persons) will comply with Paragraph 63 and Appendix 4 of the PLUS Rules relating to Directors' Dealings and will take all reasonable steps to ensure compliance by the Company's applicable employees as well.

At present, due to the Company's size, the risk and audit management will be addressed by the Board. As the Company grows, the Board will consider establishing an audit and risk management committee.

## **9. Dividend Policy**

The Company has not yet commenced trading and the Directors believe that it is inappropriate to give an indication of the likely time of payment or level of future dividends.

## **10. Taxation**

Information regarding taxation in relation to the Admission to PLUS is set out in paragraph 10 of Part IV of this Document. If you are in any doubt as to your tax position you should consult your own professional adviser immediately.

## **11. Admission to PLUS**

The share capital of the Company is not presently listed or dealt in on any stock exchange. An application will be made for the Company's issued Ordinary Shares to be quoted on PLUS. Dealings in the Ordinary Shares are expected to commence on or around 27<sup>th</sup> April 2010. It is emphasised that no application is being made for the admission of these securities to trading on AIM, or the Official List of the UK Listing Authority.

The Company has undertaken that it has entered into appropriate arrangements with one or more Primary Information Providers approved by the Financial Services Authority to disseminate regulatory information to the market. This information is currently distributed by Bloomberg, Thomson Financial, Reuters, Telekurs, ADVFN and FT Interactive Data Europe. It is also available to private investors through the Internet at [www.plusmarketsgroup.com](http://www.plusmarketsgroup.com) and via other licensed Internet vendors.

Any individual wishing to buy or sell PLUS-quoted shares, must trade through a stockbroker regulated by the FSA, as the market cannot deal directly with the public.

## **12. Lock-In Arrangements**

On Admission, the Directors will be interested in 4,000,000 Ordinary Shares representing approximately 1.46% of the Enlarged Share Capital of the Company. Ashwillow Limited the other founder shareholder will be interested in 16.73% of the Enlarged Capital of the Company.

The Directors, have undertaken to the Company and to Rivington that, in accordance with paragraph 10 of the PLUS Rules they and their connected persons will not during a period of twelve months from the date of the Admission, dispose of any interest in Ordinary Shares held by them, and for a further 12 months thereafter only with the consent of Rivington. Ashwillow Limited have entered into a 12 month orderly market agreement with Rivington and the Company.

## **13. Administration and Management**

The Company has adopted, and will operate where applicable, a share dealing code for directors and senior executives under the same terms as the Model Code on directors dealings in securities, published from time to time by the UK Listing Authority.

**14. Financial Information**

An Accountants' Report on the Company, which has no trade or business, is set out in Part III of this Document. The information provided comprises a short form report prepared by Saffery Champness, based on the unaudited management accounts of the Company for the period from its incorporation on 19 January 2007 to 31 January 2008 and for the years ended 31 January 2009 and 31 January 2010.

The Company's accounting reference date is 31 January.

**15. CREST**

The Company's Articles permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 2001. Application has been made for the Ordinary Shares to be admitted to CREST upon start of trading on PLUS.

**16. Risk Factors**

Your attention is drawn to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before making a decision to invest in the Company.

## PART II

### RISK FACTORS

**The attention of potential investors is drawn to the fact that ownership of shares in the Company involves a variety of risks. Investors should be aware of the risks associated with an investment in a business in the early stages of development. All potential investors should carefully consider the entire contents of this Document including, but not limited to, the factors described below before deciding whether or not to invest in the Company. The information below does not purport to be an exhaustive list or summary of the risks affecting the Company and are not set out in any particular order of priority. There may be additional risks of which the Directors are not aware. Investors should carefully consider these risks before making a decision to invest in the Company.**

If any of the events described in the following risks actually occur, the Company's business, financial conditions, results or future operations could be adversely affected. In such a case, the price of the Company's Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company:

- (i) That whilst the Company has enough funds for working capital purposes it is likely the Company will need to raise further funds in the future, either to complete a proposed investment or to raise further working or development capital either through debt, the exercise of existing options or the issue of new equity. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares and Shareholders may be materially diluted by any further issue of ordinary shares by the Company.
- (ii) An acquisition by the Company of a significant interest would most likely be considered a reverse takeover for the purposes of the PLUS Rules, and where applicable the Takeover Code. The costs of a reverse are significant and the Company would potentially need to raise further funds to meet the whole or some of the costs of the reverse. However the Company would look to mitigate costs and the need to raise significant sums via the issuance of further new ordinary shares as part of the consideration of the transaction.
- (iii) The music media and talent industry is a highly competitive market and many of the competitors will have greater financial and other resources than the Company and as a result may be in a better position to compete for opportunities. There can be no assurances that the Company can or will be able to compete effectively.
- (iv) The success of the Company depends largely upon the expertise of the current directors and their ability to identify suitable acquisition and/or investment opportunities in the music and media industry and implement the Company's strategy. The loss of one or other of the key directors could have an adverse effect on the Company;
- (v) The Company's future success will also depend, *inter alia*, on its future directors and management team. The recruitment of suitable skilled Directors and retention of their services or the services of any future management team cannot be guaranteed;
- (vi) The value of the Ordinary Shares will depend, to a significant degree, on the Company's ability to identify and make suitable acquisitions in a reasonable timeframe and the success of those acquisitions. The Directors intend that appropriate due diligence be carried out by the Company on potential acquisitions, but there is an inherent risk in acquiring prospects or companies, which could adversely affect the value of the Ordinary Shares;
- (vii) The Company is a newly formed company with no established trading record and does not presently carry on any trading activities. The value of an investment in the Company is dependent *inter alia* upon the Company acquiring a prospect or company that meets the Company's corporate strategy. There can be no guarantee that the Company will acquire or invest in any prospect or company which meets the Company's criteria or that any such prospect or company acquired will be or achieve significant or sustainable value as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence;
- (vii) The Ordinary Shares are not listed or traded on any stock exchange. Notwithstanding the fact that an application will be made for the Ordinary Share to be quoted through PLUS this should not be taken as implying that there will be a 'liquid' market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. The value of the Ordinary Shares may go

down as well as up. Investors may therefore realise less than their original investment or sustain a total loss of their investment.

- (viii) The Company has made an application for its Ordinary Shares to be quoted on the PLUS-quoted Market. The PLUS-quoted Market is a market designed for small and growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. The PLUS-quoted Market is not AIM or the Official List and consequently it may be more difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid. The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets or operations. The bid-offer spread of the Ordinary Shares can be significant.
- (ix) It may be difficult to trade in the Ordinary Shares, which are classed as "penny shares" under FSA rules. The price quoted on the PLUS-quoted Market is the mid-market price. The share prices of public companies are often subject to significant fluctuations. In particular, the market for shares in smaller public companies is typically less liquid than for larger public companies. Consequently, the Company's share price may be subject to greater fluctuation and the Ordinary Shares may be difficult to sell. The Ordinary Shares are intended for capital growth and therefore may not be suitable as a short-term investment. Investors may therefore not realise their original investment at all, or within the time-frame they had originally anticipated.
- (x) Any changes to the market trading environment, in particular to the PLUS Rules could for example, affect the ability of the Company to maintain a trading facility on the PLUS-quoted Market.
- (xi) Past performance is no indication of future performance. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their investment.
- (xii) The share price of quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their ordinary shares may be influenced by a large number of factors, some of which are specific to the Company and its operations and some of which may affect quoted companies generally. These factors include, without limitation, the performance of the Company, large purchases or sales of ordinary shares by other investors, legislative changes and general economic, political or regulatory conditions, and other factors which are outside of the control of the Company.
- (xiii) Stock market conditions, may affect the ultimate value of the Company's share price regardless of future operating performance; and
- (xiv) Continued membership of PLUS is entirely at the discretion of PLUS Markets Plc.

**Investment in the Company's Ordinary Shares may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an adviser authorised under the FSMA who specialises in investments of this nature before making their decision to invest.**

## PART III

### FINANCIAL INFORMATION ON THE COMPANY

### ACCOUNTANTS' REPORT ON THE COMPANY



**Saffery Champness**

CHARTERED ACCOUNTANTS

Lion House, Red Lion Street, London WC1R  
4GB

DX 287 – Chancery Lane, London

Telephone:  
020 7841 4000

Facsimile:  
020 7841 4100

9 April 2010

The Directors  
Rivington Street Corporate Finance Limited  
3<sup>rd</sup> Floor, Henry Thomas House  
5-11 Worship Street  
London  
EC2A 2BH

The Directors  
Imperial Music and Media plc  
1 Bacon Lane  
Hayling Island  
Hampshire  
PO11 0DN

Dear Sirs,

**Accountants' Report on Imperial Music and Media plc (formerly Quick Toys and Games plc, the "Company")**

We report on the financial information in this Part III. The financial information has been prepared under the accounting policies set out in note 2 for inclusion in the admission document dated 9 April 2010 ("Admission Document"), of the Company in connection with the placing and admission to trading on the PLUS Markets ("PLUS"). This report is required by the PLUS Rules and is given for the purpose of complying with paragraph 26 of Appendix 1 to the PLUS Rules and for no other purpose.

***Responsibility***

The Directors of the Company are responsible for preparing the financial information on the basis set out in note 2 to the financial information and in accordance with United Kingdom Generally Accepted Accounting Principles ("UK GAAP").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view for the purposes of the Admission Document and to report our opinion to you.

***Basis of opinion***

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

***Opinion***

In our opinion, the financial information set out in this Part III gives, for the purposes of the Admission Document, a true and fair view of the state of the affairs of the Company, as at 31 January 2008, 2009 and 2010 and of its results and cash flows for the periods then ended in accordance with UK GAAP and the accounting policies set out in note 2.

***Declaration***

We are responsible for this report as part of the Admission Document and declare that, having taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with paragraph 26 of Appendix 1 of the PLUS Rules.

Yours faithfully

**Saffery Champness  
Chartered Accountants**

## PROFIT AND LOSS ACCOUNTS

	Year ended 31 January 2010 £	Year ended 31 January 2009 £	Period ended 31 January 2008 £
Administrative expenses	(1,618)	-	-
Loss on ordinary activities before taxation	(1,618)	-	-
Tax on loss on ordinary activities	-	-	-
<b>Loss for the year</b>	<b>(1,618)</b>	<b>-</b>	<b>-</b>

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There were no recognised gains or losses other than the results for the periods as set out above.

## BALANCE SHEETS

	Note	As at 31 January 2010 £	As at 31 January 2009 £	As at 31 January 2008 £
<b>Current assets</b>				
Debtors	3	47,864	50,000	50,000
Cash at bank and in hand		893	-	-
		<u>48,757</u>	<u>50,000</u>	<u>50,000</u>
<b>Creditors : amounts falling due within one year</b>	4	(375)	-	-
<b>Net assets</b>		<u><b>48,382</b></u>	<u><b>50,000</b></u>	<u><b>50,000</b></u>
<b>Capital and reserves</b>				
Called up share capital	6	50,000	50,000	50,000
Profit and loss account	5	(1,618)	-	-
<b>Shareholders' funds</b>	7	<u><b>48,382</b></u>	<u><b>50,000</b></u>	<u><b>50,000</b></u>

## CASH FLOW STATEMENTS

	Note	Year ended 31 January 2010 £	Year ended 31 January 2009 £	Period ended 31 January 2008 £
<b>Net cash outflow from operating activities</b>	9	(11,607)	-	-
<b>Financing</b>				
Called up share capital paid up in the year		12,500	-	-
<b>Increase in cash in the year</b>		<u><b>893</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

## NOTES TO THE FINANCIAL INFORMATION

### 1. Financial information

The Directors have prepared the following financial information on the Company for the period from incorporation to 31 January 2010. The financial information on the Company, which has been prepared solely for the purposes of the PLUS Markets Admission Document, does not constitute audited statutory accounts within the meaning of section 240 of the Companies Act 2006.

The Company was incorporated on 19 January 2007 as Quick Toys and Games plc. The Company changed its name to Imperial Music and Media plc on 8 May 2009. Since incorporation the Company has not traded.

### 2. Significant accounting policies

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with UK GAAP.

### 3. Debtors

	31 January 2010 £	31 January 2009 £	31 January 2008 £
Other debtors – issued share capital not fully paid	37,500	50,000	50,000
Prepayments and accrued income	10,364	-	-
	<u>47,864</u>	<u>50,000</u>	<u>50,000</u>

### 4. Creditors

	31 January 2010 £	31 January 2009 £	31 January 2008 £
Accruals and deferred income	375	-	-
	<u>375</u>	<u>-</u>	<u>-</u>

### 5. Statement of movement on profit and loss account

	31 January 2010 £	31 January 2009 £	31 January 2008 £
Loss for the year	(1,618)	-	-
	<u>(1,618)</u>	<u>-</u>	<u>-</u>

## 6. Share capital

	31 January 2010 £	31 January 2009 £	31 January 2008 £
<b>Authorised</b>			
At 31 January 2010: 1,000,000,000 ordinary shares of £0.001 each			
At 31 January 2008 & 2009: 5,000,000 ordinary shares of £0.01 each	1,000,000	50,000	50,000
<b>Allotted but not fully paid</b>			
At 31 January 2010: 50,000,000 ordinary shares of £0.001 each			
At 31 January 2008 & 2009: 5,000,000 ordinary shares of £0.01 each	50,000	50,000	50,000

By way of a resolution dated 8 May 2009, the Company's existing ordinary shares totalling £50,000 were subdivided into 50,000,000 shares of £0.001 each.

By way of a resolution dated 8 May 2009, the authorised share capital of the Company was increased to £1,000,000 by the creation of 950,000,000 ordinary shares of £0.001 each.

On 7 April 2010, the Company granted Ashwillow Limited a non assignable warrant, which is exercisable in whole or part, to subscribe for up to an additional 100,000,000 at a price of £0.001 per ordinary share.

## 7. Reconciliation of movements in shareholders fund

	31 January 2010 £	31 January 2009 £	31 January 2008 £
Loss for the financial year	(1,618)	-	-
Opening shareholders' funds	50,000	-	-
Closing shareholders' funds	48,382	50,000	50,000

## 8. Employees

### Number of employees

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

	2010 Number	2009 Number	2008 Number
Administrative staff	2	2	1

**9. Reconciliation of operating loss to net cash outflow from operating activities**

	<b>31 January 2010 £</b>	<b>31 January 2009 £</b>	<b>31 January 2008 £</b>
Operating loss	(1,618)	-	-
Increase in debtors	(10,364)	-	-
Increase in creditors	375	-	-
Net cash outflow from operating activities	<u>(11,607)</u>	<u>-</u>	<u>-</u>

**10. Control**

As at 31 January 2010, the immediate parent company was Ashwillow Limited by virtue of its 92% shareholding. The ultimate controlling party as at 31 January 2010 was Mr Terry Burnett.

## PART IV

### STATUTORY AND GENERAL INFORMATION

#### 1 Incorporation and details of the Company

- 1.1 The Company was incorporated and registered in England and Wales on 19 January 2007, with the name Quick Toys and Games Plc, as a public limited company with registered number 06058541. On 8 May 2009 the Company changed its name to Imperial Music & Media Plc.
- 1.2 On 29 July 2009 the Company received a certificate confirming that the provisions of section 761 of the Act had been complied with, entitling it to do business and borrow.
- 1.3 The Company's registered office is 1 Bacon Lane, Hayling Island PO11 0DN.
- 1.4 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 1.5 The liability of the members of the Company is limited.
- 1.6 The principal place of business of the Company is 1 Bacon Lane, Hayling Island PO11 0DN.
- 1.7 As at the date of this document, the Company has no subsidiary undertakings and is not a member of a group of companies.

#### 2 Share Capital of the Company

- 2.1.1 The issued share capital of the Company at the date of this Document is as follows:-

£

**Issued**

50,000,000 Ordinary Shares of £0.001 each 50,000

- 2.1.2 Following the Admission to PLUS and on the assumption that the Placing shares are allotted the issued share capital of the Company will be as follows :-

£

**Issued**

275,000,000 Ordinary Shares of £0.001 each 275,000

- 2.2 As at the date of Admission each of the issued shares in the capital of the Company is fully paid.
- 2.3 On incorporation, the authorised share capital of the Company was 5,000,000 ordinary shares of £0.01 each. 4,999,999 ordinary shares of £0.01 were issued as subscriber shares to Gregory Collier and 1 ordinary share of £0.01 was issued as a subscriber share to Ashwillow Ltd.
- 2.4 Since incorporation, there have been the following changes in the authorised and issued share capital of the Company:
- 2.4.1 on 8 May 2009 the existing shares of £0.01 each were subdivided into 50,000,000 ordinary shares of £0.001 each.;
- 2.4.2 on 8 May 2009 the authorised share capital of the Company was increased to £1,000,000 by the creation of 950,000,000 ordinary shares of £0.001 each.

Shareholder	Date of issue	Number of Ordinary Shares	Number of Warrants
Gregory Collier	19 January 2007	49,999,990	
Ashwillow Limited	19 January 2007	10	100,000,000
<b>TOTAL</b>		<b>50,000,000</b>	<b>100,000,000</b>

2.4.3 the following transfers of shares were made as follows:

Transfer from	Transfer to	Date of transfer	Number of ordinary shares transferred
Gregory Collier	Ashwillow Limited	14 May 2009	49,999,980
Ashwillow Limited	Nathan Graves	24 July 2009	2,000,000
Ashwillow Limited	Gregory Collier	24 July 2009	1,999,990

2.5 On 5 June 2009 the following resolutions were passed:

- (a) That the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (as amended) (the "1985 Act") to allot relevant securities up to an aggregate nominal amount of the unissued but authorised share capital of the Company. Such authority to expire at the conclusion of the next annual general meeting of the Company (unless and to the extent that such authority is revoked, varied, renewed or extended prior to such date), but so that the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired; and
- (b) That the Directors be and they are hereby empowered pursuant to Section 95 of the 1985 Act, to allot or make offers or agreements to allot equity securities (as defined in Section 94(2) to Section 94(3A) of the 1985 Act) for cash pursuant to the authority referred to in Resolution c (in substitution for all existing powers granted to the Directors pursuant to Section 95 of the Act) as if Section 89(1) of the 1985 Act did not apply to any such allotment. Such power to expire at the conclusion of the next annual general meeting of the Company (unless and to the extent that such power is revoked, varied, renewed or extended prior to such date), but save that the Company may, before the expiry of such period, make an offer or agreement which would or might require equity securities to be allotted after the expiry of such a period and the Directors may allot equity securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

2.6 The provisions of section 89(1) of the 1985 Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 743 of the Act) apply to the authorised but un-issued share capital of the Company to the extent not disapplied.

2.7 In connection with the Admission, except as disclosed at paragraph 2.4.2 above, no share or loan capital of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option.

### **3 Memorandum and Articles**

3.1 The memorandum of association of the Company provides that its principal object is to carry on business as a general commercial company. Its objects are set out in full in clause 4 of the memorandum of association.

3.2 The Articles which were adopted on 5 June 2009 include provisions to the following effect:

#### **3.2.1 Votes of Members**

Subject to any special rights or restrictions as to voting attached by or in accordance with the Articles to any shares or class of shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

#### **3.2.2 Variation of Rights**

Subject to the provisions of the Companies Acts, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the terms of issue of the shares of that class be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class (excluding if any shares of that class hold as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may

be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up. Subject to the provisions of the Companies Acts, to every such separate general meeting all the provisions of the Articles relating to general meetings of the Company and to the proceedings thereat shall mutates mutandis apply, except that the quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him.

### 3.2.3 Alteration of Share Capital

The Company may by ordinary resolution:

- (a) consolidate and/or divide, re-designate or convert all or any of its share capital into shares of larger or smaller nominal value than its existing shares or into different classes of shares than its existing shares.
- (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled, and/or
- (c) sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the memorandum of association (subject, nevertheless, to the provisions of the Companies Act), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares (but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it has in the case of the share from which the reduced share is derived; or
- (d) convert all or any of its paid up shares into stock, and reconvert that stock into paid up shares of any denomination.

The Company may by special resolution reduce or cancel its share capital or any capital redemption reserve or share premium account or any undistributable reserve in any manner and with and subject to any conditions, authorities and consents required under the Companies Acts.

Subject to the provisions of the Companies Acts and to any rights for the time being attached to any shares, the Company may enter into any contract for the purchase of its own shares (including any redeemable shares) in any manner authorised by the Companies Acts provided however that the Company may not purchase any of its shares under this article if as a result of the purchase of the shares in question there would no longer be any member holding shares in the Company other than redeemable shares.

### 3.2.4 Transfer of Shares

Unless the Directors otherwise determine (subject to the provisions of the Statutes) all transfers of Certificated Shares (as defined in the Articles) shall be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. In such case the instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof.

All transfers of Uncertificated Shares (as defined in the Articles) shall be made in the manner provided for in the rules and procedures of the operator of the Relevant System (as defined in the Articles) and in accordance with and subject to the Uncertificated Securities Regulations (as defined in the Articles).

The Company will not close the register of members in respect a Participating Security (as defined in the Articles) without the consent of the Operator (as defined in the Articles) of the Relevant System. Subject thereto and to the Statutes (as defined in the Articles), the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The register of members shall not be closed for more than 30 days in any year.

Subject to the requirements of the of the United Kingdom Listing Authority and the London Stock Exchange, the Company shall register a transfer of title to any Uncertificated Share or any renounceable right or allotment of a share which is a Participating Security (as defined in the

Articles) held in Uncertificated form in accordance with the Uncertificated Securities Regulations, but so that the Directors may refuse to register such transfer in any circumstance permitted or required by the Uncertificated Securities Regulations and the requirements of the Relevant System.

The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares not being fully paid shares, provided always that the Directors shall not exercise their discretion in such a way as to prevent dealings in shares listed on the Official List and admitted to trading on the London Stock Exchange taking place on an open and proper basis.

The Directors may refuse to register a transfer of shares (whether fully paid or not and whether held in certificated form or not) to an entity which is not a legal or natural person, to a minor, or to be held jointly by more than four persons.

The Directors may also refuse to register a transfer of any shares (whether fully paid or not) where the holding represents at least 0.25 per cent of the issued shares of the relevant class and the holder or other person appearing to be interested therein for the purposes of paragraph 3.2.6 below (Disenfranchisement) has failed to comply with the statutory disclosure requirements under the terms of those Articles. Provided that this restriction on transfer shall cease to be applicable not more than seven days after the earlier of (a) receipt by the Company of notice that there has been a transfer of the shares pursuant to an arm's length sale (as defined in the Articles) and (b) due compliance, to the satisfaction of the Company, with the statutory disclosure requirements.

### 3.2.5 Dividends

Subject to the Statutes, the Company may by ordinary resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.

In so far as, in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof, and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this paragraph, no amount paid on a share in advance of calls shall be treated as paid on the share.

The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date on which such dividend was declared or became due for payment shall be forfeited and shall revert to the Company.

### 3.2.6 Disenfranchisement

If any holder of or any other person appearing to be interested in any shares of the Company fails within fourteen days after the date of service of such notice to comply with the statutory disclosure requirements (as defined in the Articles), then:

- (a) if the shares are held in certificated form from the time of such failure until not more than seven days after the earlier of (i) receipt by the Company of notice that there has been a transfer of the shares pursuant to an arms length sale (as defined in the Articles) and (ii) due compliance, to the satisfaction of the Company, with the statutory disclosure requirements, (A) (should the Directors so resolve) such holder shall not be entitled to attend or vote or to exercise any right conferred by membership at meetings of the Company in respect of all the shares for the time being registered in the account in the register of members of the Company in respect of which such notice was served, (B) in circumstances where the holding represents at least 0.25 per cent of the issued shares of the relevant class (calculated exclusive of treasury shares) and should the Directors so resolve, the payment of dividends in respect of such shares may be withheld, and (C) in circumstances where the holding represents at least 0.25 per cent of the issued shares of the relevant class (calculated exclusive of treasury shares) and should the Directors so resolve, such holder shall not be entitled to transfer such shares otherwise than pursuant to an arms length sale, or
- (b) if the shares are held in uncertificated form, the Directors may serve upon the registered holder of such shares a notice requiring the holder to convert his holding of such Uncertificated Shares into certificated form within such period as is specified in the

notice and require the holder to continue to hold such shares in certificated form for so long as such failure continues. If the holder shall fail to do so within such time as is specified in the said notice from the Company, the Directors are empowered to authorise some person to take all such steps and issue such instructions by means of the Relevant System or otherwise in the name of the holder of such shares as may be necessary to effect the conversion of such shares to certificated form and such steps shall be as effective as if they had been taken by the registered holder of the relevant Uncertificated Shares. When such conversion to certificated form shall have been effected the provisions of paragraph (a) above shall apply.

### **3.2.7 Winding up**

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of a special resolution and subject to any provision sanctioned in accordance with the provisions of the 1985 Act or the 2006 Act, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such a value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. Every member shall have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed in accordance with Section 111 of the Insolvency Act 1986. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability. The liquidator may make any provision referred to in, and sanctioned in accordance with, the provisions of section 247 of the 2006 Act.

### **3.2.8 Meetings**

The Company shall hold its annual general meeting in addition to any other general meetings in that year, within six months beginning with the day following its accounting reference date.

The Directors may whenever they think fit, and shall, on a member's requisition in accordance with the Statutes, proceed to convene a general meeting. Whenever the Directors shall convene a general meeting on the requisition of members, they shall convene such meeting for a date not more than 28 days after the date of the notice convening the meeting. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

An annual general meeting shall be called by notice of 21 clear days and any general meeting shall be called by 14 clear days notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such (if any) as are not under the provisions of the Articles entitled to receive such notices from the Company.

For the purpose of determining which persons are entitled to attend and vote at any general meeting, and how many votes such persons may cast, the Company may specify in the relevant notice of general meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting. Changes to entries on the register of members after the time specified by the Company for the purposes of this paragraph shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in the Statutes or in the Articles to the contrary.

Every notice calling a general meeting shall specify (a) the place and the date and time of the meeting; (b) with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to exercise all or any rights of his to attend, speak and vote (on a show of hands or in a poll) at the meeting (provided that each proxy is appointed to exercise the right attached to a different share or shares held by him) and that a proxy need not be a member of the Company; and (c) the general nature of the business to be dealt with at the meeting.

No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote at that meeting shall be a quorum for all purposes.

If, within fifteen minutes from the time appointed for a general meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day (being not less than seven days and not more than twenty eight days thereafter) and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine and in the latter case not less than seven days' notice of the adjourned meeting shall be given in the like manner as in the case of the original meeting. At the adjourned meeting any two members present in person or by proxy shall be a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

### 3.2.9 **Directors**

The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes (as defined in the Articles) or by the Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of the Articles, to the provisions of the Statutes (as defined in the Articles) and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by special resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by one article shall not be limited or restricted by any special authority or power given to the Directors by any other article.

The Directors may establish any local, group or divisional boards, agencies or committees for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local, group or divisional boards, agencies or committees or any managers or agents, and may fix their remuneration and may delegate to any local, group or divisional board, agency or committee, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit. Subject to any terms and conditions expressly imposed by the Directors, the proceedings of any local group or divisional board or agency with 2 or more members shall be governed by such of the Articles as regulate the proceedings of the Directors so far as they are capable of applying. The Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

No Interested Director shall vote or be counted in the quorum in relation to any relevant matter (as defined in the Articles).

Subject as provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, or in relation to which he has a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the board after he knows that he is or has become so interested. A general notice to the board given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this article in relation to any contract or arrangement so made, provided that no such notice shall be effective unless either it is given at a meeting of the board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next board meeting after it is given. For the purposes of this article, an interest of a person who is, for any purpose of section 252 of the 2006 Act connected with a Director shall be treated as an interest of the Director and in relation to an alternate Director, an interest of his appointer shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

Until otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors (other than alternate Directors) being those Directors that do not hold service agreements with the Company such fees for their services in the office of Director as the Directors may determine (not exceeding in the aggregate an annual sum of £50,000 or such larger amount

as the Company may by ordinary resolution decide) divided between the Directors as they agree, or, failing agreement, equally such fees shall be distinct from any salary remuneration or other amounts payable to a Director pursuant to any other provisions of the Articles and shall be deemed to accrue from day to day.

Subject as hereinafter provided, the Directors shall not be subject to any maximum but must not be less than two in number. The Company may by ordinary resolution from time to time vary the minimum and maximum number of Directors.

The Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall also have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with the Articles. Any person so appointed by the Directors shall hold office until the next annual general meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

At the first annual general meeting of the Company, all the Directors shall retire from office and at the annual general meeting in every subsequent year one third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.

Subject as hereinafter provided and to the provisions of the Statutes (as defined in the Articles), the Directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part of parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (as regards the subsidiary companies so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all monies borrowed by the group (exclusive of intra-group borrowings) shall not at any time without the previous sanction of an ordinary resolution of the Company in general meeting exceed £50,000,000 if the Company has not yet had published audited accounts or, if the Company has had published audited accounts a sum equal to the greater of £50,000,000 or four times the aggregate of (a) the nominal share capital of the Company for the time being issued and paid up, and (b) the amounts standing to the credit of the Consolidated Capital and Revenue Reserves as defined in the Articles.

#### **4 Directors' and other interests**

- 4.1 The interests of the Directors and the persons connected with them all of which are beneficial (which have been notified to the Company pursuant to Section 324 and 328 of the Act or are required to be disclosed in the register of Directors' interests pursuant to Section 325 of the Act) as at the date of this Document and as expected to be immediately following the Admission and Placing (assuming full subscription) are as follows:

<b>Director</b>	<b>Number of Ordinary Shares</b>	<b>Immediately following Admission</b>
Gregory Collier	2,000,000	0.73%
Nathan Graves	2,000,000	0.73%
Total	4,000,000	1.46%

The issued share capital assuming full subscription pursuant to the Placing consists of 275,000,000 Ordinary Shares which are the only shares in issue at the date of this Document and upon the date of the Admission.

- 4.2 Save as disclosed in sub paragraphs 2.4 and 4.1 above of Part IV of this Document and this subparagraph 4.2, the Directors are not aware of any interest (within the meaning of Part VI of the Act) in the Company's ordinary share capital which, immediately following the Admission, would amount to 3 per cent. or more of the Company's issued ordinary share capital. Following Admission, so far as the Directors are aware, the only persons who are directly or indirectly interested in 3 per cent. or more of the issued Ordinary Shares or who exercise or could exercise control over the Company directly or indirectly are, or will be, as follows:

	Prior to Admission		Immediately following Admission	
	No. of Ordinary Shares	Percentage of issued Ordinary Shares	No. of Ordinary Shares	Percentage of issued Ordinary Shares
Crossfield Investment Group Limited (a company 100% beneficially owned and controlled by Mr Maxwell Eagle)	50,000,000	18.18%	50,000,000	18.18%
Jayne Orton	25,000,000	9.09%	25,000,000	9.09%
Toddbrook Investments Limited (a company 100% beneficially owned and controlled by Mr Darren Edmonston)	35,000,000	12.73%	35,000,000	12.73%
Dance LLC (a company 100% beneficially owned and controlled by Mr Richard Slater)	40,000,000	14.55%	40,000,000	14.55%
Tradesure Limited (a company 100% beneficially owned and controlled by Mr Michael Whiting)	50,000,000	18.18%	50,000,000	18.18%
Ashwillow Limited (a company 100% beneficially owned and controlled by Mr Terry Burnett)	46,000,000	16.73%	46,000,000	16.73%
Stephen Putnam	40,000,000	14.55%	40,000,000	14.55%

- 4.3 Save as set out in sub paragraphs 4.1 and 4.2 above following the Admission to PLUS, no Director or any person connected with such a Director (within the meaning of Section 346 of the Act) is expected to have any interest in the share capital of the Company which would amount to 3 per cent. or more of the Company's issued ordinary share capital.
- 4.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 4.5 Save as disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

## 5 Service Agreements/Letters of Appointment

- 5.1 On 26 March 2010, Nathan Graves entered into a service agreement with the Company under the terms of which he agreed to act as Managing Director of the Company for a fee of £12,000 per annum payable monthly in arrears, subject to such deductions as the Company is required, by law, to make. Mr Graves, consults to other media and music businesses, and as part of his service agreement Mr Graves has undertaken to allow the Company a first right of review and refusal of any acts or potential projects that he is asked to consult on outside of the day to day work he undertakes for the Company from the period of admission to the termination of this service agreement. The appointment is terminable by six months' notice on either side. The agreement also contains provisions restricting Mr Graves from competing directly with the Company for period of three months after termination of his appointment.
- 5.2 On 26 March 2010, Gregory Collier entered into a letter of appointment with the Company under the terms of which he agreed to act as Non-Executive Chairman of the Company for a fee of £12,000 per annum payable monthly in arrears, subject to such deductions as the Company is required, by law, to make. The appointment is terminable by one months' notice on either side.
- 5.3 Save as disclosed in paragraphs 5.1 and 5.2 above, there are no service contracts or letters of appointment, existing or proposed, between any Director and the Company.
- 5.4 It is estimated that under arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors in the 12 month period from Admission will be £24,000.

## 6 Additional information on the Board

In addition to directorships of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Document:

<b>Director</b>	<b>Current Directorships/ Partnerships</b>	<b>Past Directorships/ Partnerships</b>
Gregory Collier	Metroelectric plc Quick Marketing Limited RQP Ltd Corplus Limited Rick Properties Limited Metro Cars Limited Metro Vans Limited Park Electric Limited Ego Cars Limited	Chessington Limited Winterway Investments Limited Europastry UK Limited The Bread Store Limited International Aquababies Limited
Nathan Grant Graves	Innate Music Limited Solid Air Music Limited Sambistas Limited Musicvault Limited	Add Music Limited Solid Air Productions Limited Ode Music Publishing Limited Gilles Peterson Music Limited

- 6.1 Gregory Collier was a director and shareholder of The Bread Store Limited a company incorporated in England and Wales with company number 06239188. He resigned as a director on 30 June 2008 and ceased to be a shareholder on the same day when his entire shareholding was transferred to Mr David Goodger. At the time of his resignation, and the transfer of his shareholding, The Bread Store Limited (at the time named Iver Heath Properties Limited) was a dormant company and had not traded. Subsequent to Mr Collier ceasing to have any interest or control over the affairs of The Bread Store Limited a notice of the appointment of a liquidator was lodged in respect of this company at companies house on 1 May 2009.
- 6.2 Save as disclosed above, none of the directors has:
- (a) any unspent convictions in relation to fraudulent offences;
  - (b) had any bankruptcy order made against him or entered into any voluntary arrangements;

- (c) been a director of a company which has been placed in receivership, insolvent liquidation or administration or been subject to a voluntary arrangement whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in receivership insolvent liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) been publicly criticised by any statutory or regulatory authority (including designated professional bodies); or
- (f) been disqualified by a court from acting in the management or conduct of the affairs of a company.

## **7 Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the period from incorporation to the date immediately preceding the date of this Document and are, or may be, material:

- 7.1 A Corporate Adviser Agreement dated 1<sup>st</sup> March 2010 between the Company, the Directors and Rivington pursuant to which Rivington has been appointed to act as Corporate Adviser to the Company for the purposes of the Admission. The Company has agreed to pay Rivington, conditionally on Admission, a fee of £12,000 (plus VAT) for corporate services provided in connection with the Admission and £8,000 (plus VAT) per annum, monthly in advance by standing order, for its services as Corporate Adviser under this agreement. Rivington will be given warrants to subscribe for 5% of the Enlarged Share Capital of the Company at the Placing Price. The agreement contains certain undertakings and indemnities given by the Company in respect of, inter alia, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from the date of the agreement and thereafter is subject to termination on the giving of 3 months' written notice.
- 7.2 Lock in arrangements dated 26 March 2010 between the Directors, the Company and Rivington, pursuant to which each of the directors gave undertakings to the Company and to Rivington that they will not dispose of any of the Ordinary Shares (or of any interest therein) held by them and by their connected persons for the period of twelve months from the date of the Admission. On the expiration of this initial twelve month period the directors have undertaken that for a further twelve months they will not dispose of any Ordinary Shares (or of any interest therein) except on an orderly market basis and with the prior approval of Rivington.
- 7.3 An orderly market agreement dated 8<sup>th</sup> April between the Directors, Ashwillow Limited, the Company and Rivington pursuant to which Ashwillow Limited gave an undertaking to the Company and to Rivington that they will not dispose of any of the Ordinary Shares (or of any interest therein) held by them or by their connected persons for the period of twelve months from the date of Admission except on an orderly market basis with the consent of Rivington.
- 7.4 The agreements listed at paragraph 5 of Part IV of this Document.

## **8 Litigation**

The Company is not involved in any legal governmental or arbitration proceedings which may have or have had since incorporation a significant effect on the Company's financial position and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

## **9 Working capital**

The Directors are of the opinion, having made due and careful enquiry and having taken into account the funds that the Company currently has on deposit, that following the Admission the Company will have sufficient working capital for its present requirements, that is for at least the next 12 months from the Admission.

## **10 United Kingdom taxation**

The following paragraphs are intended as a general guide only for shareholders who are resident and ordinarily resident in the UK for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade. They do not purport to be comprehensive nor to describe all potential relevant considerations. They are based on current legislation and UK HM Revenue & Customs practice. This guide is not a substitute for investors obtaining professional or tax advice before applying for shares, therefore any shareholder, particularly one

who is in any doubt about his or her tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his or her own professional adviser immediately.

#### *UK capital gains tax*

If a shareholder who is an individual and who is resident or ordinarily resident in the UK, disposes of all or some of his or her Ordinary Shares, a liability to capital gains tax ("CGT") on chargeable gains may arise. The extent of the tax liability on any gains will depend on the availability of the annual CGT exemption and of any tax reliefs/deductions such as capital losses. The current CGT rate is 18 per cent.

Trustees of a trust that is resident in the UK will be subject to capital gains tax on any gains arising from the sale of Ordinary Shares. Any gain will be capable of mitigation by use of the annual exemption and of any tax reliefs/deductions such as capital losses. CGT is charged at the rate of 18 per cent.

A corporate entity that is resident in the UK will be subject to corporation tax on any gain arising on the disposal of Ordinary Shares, subject to mitigation by indexation allowances and by any available tax reliefs/deductions.

#### *UK Stamp duty and duty reserve tax*

No United Kingdom stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value will generally give rise to a liability to pay United Kingdom stamp duty, or stamp duty reserve tax, at the rate of 0.5 per cent. of the amount or value of the consideration given.

#### *UK taxation of dividends*

Individuals whose income is within the lower or basic rate bands are liable to tax at 10 per cent. on their gross dividend income. Individual shareholders resident for tax purposes in the UK are entitled to a non-refundable tax credit of an amount equal to 10 per cent. of the aggregate of the net dividend received and the tax credit. The effect of this is that the tax credit attaching to the dividend will satisfy the income tax liability on UK dividends of an individual shareholder whose income is within the lower or basic rate bands. Shareholders liable to higher rate tax are liable to tax at 32.5 per cent. on their gross dividend income and, after accounting for the tax credit, will have further tax to pay of 22.5 per cent. of their gross dividend equivalent to 25 per cent. of the net dividend received.

UK resident trustees of trusts are liable to income tax on UK company dividends at 32.5 per cent. of the gross dividend. After taking into account the 10 per cent tax credit, the trustees will be liable to additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend received.

It is currently proposed that with effect from 6 April 2010, the 32.5 per cent. rate will rise to 42.5 per cent. giving an effective rate of approximately 36 per cent. on net dividends received.

A corporate shareholder resident for tax purposes in the UK will generally not be liable for UK corporation tax on any dividend received from the Company.

## **11 Significant Changes**

There has been no significant change in the financial or trading position of the Company since 31 January 2010, the date to which the most recent financial information on the Company has been prepared as set out in Part III of this document.

## **12 General**

- 12.1 The total costs and expenses relating to Admission payable by the Company are estimated to amount to approximately £61,515 (including Value Added Tax).
- 12.2 Rivington has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.
- 12.3 Saffery Champness has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.
- 12.4 Other than the current application for Admission to PLUS, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.

- 12.5 The accounting reference date of the Company is 31 January.
- 12.6 The Directors are not aware of any exceptional factors which have influenced the Company's activities.
- 12.7 The Directors are not aware of any patents or other intellectual property rights, licenses or particular contracts which are or may be of fundamental importance to the Company's business.
- 12.8 Save as disclosed in sections 5 and 7 of Part IV of this Document, no person directly or indirectly (other than the Company's professional advisors and trade suppliers or save as disclosed in this Document) in the last twelve months received or is contractually entitled to receive, directly or indirectly, from the Company on or after the Admission (excluding in either case persons who are professional advisors otherwise than as disclosed in this Document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or entered into any contractual arrangements to receive the same from the Company at the Admission.
- 12.9 The Directors accept responsibility for the financial information of the Company contained in Part III of this Document which has been prepared in accordance with the law applicable to the Company.

**13 Availability of Document**

Copies of this Document are available free of charge from the Company's registered office and at the offices of Rivington, during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 9<sup>th</sup> April 2010