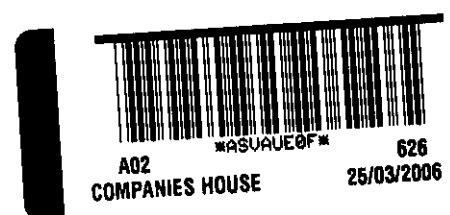


Registered number
4213421

Scandalous Music Limited
Report and Unaudited Accounts
31 August 2004



Scandalous Music Limited
Director's Report

The director presents his report and accounts for the year ended 31 August 2004.

Principal activities

The company's principal activity during the year continued to be that of freelance record producer

Director

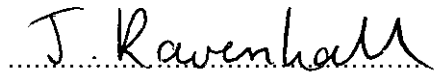
The director who served during the year and his interest in the share capital of the company were as follows:

	£1 Ordinary shares	
	31 Aug 2004	1 Sep 2003
J Ravenhall	100	100

Small company special provisions

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

This report was approved by the board on 22/3/06



J Ravenhall
Director

Scandalous Music Limited
Profit and Loss Account
for the year ended 31 August 2004

	Notes	2004 £	2003 £
Turnover		73,986	69,593
Cost of sales		(51,379)	(25,703)
Gross profit		<u>22,607</u>	<u>43,890</u>
Administrative expenses		(24,378)	(41,411)
Operating (loss)/profit	2	<u>(1,771)</u>	<u>2,479</u>
Interest payable	3	(65)	(2,977)
Loss on ordinary activities before taxation		<u>(1,836)</u>	<u>(498)</u>
Tax on loss on ordinary activities		-	-
Retained Loss for the financial year		<u>(1,836)</u>	<u>(498)</u>

Scandalous Music Limited
Balance Sheet
as at 31 August 2004

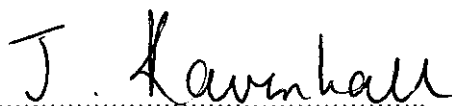
	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	4	2,975	3,261
Current assets			
Stocks and work in progress		36,731	27,210
Debtors	5	11,886	16,885
Cash at bank and in hand		-	3
		<u>48,617</u>	<u>44,098</u>
Creditors: amounts falling due within one year	6	(54,583)	(48,514)
Net current liabilities		<u>(5,966)</u>	<u>(4,416)</u>
Net liabilities		<u>(2,991)</u>	<u>(1,155)</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	(3,091)	(1,255)
Shareholder's funds		<u>(2,991)</u>	<u>(1,155)</u>

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

The director acknowledges his responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.



J Ravenhall
 Director

Approved by the board on 22/3/04

Scandalous Music Limited
Notes to the Accounts
for the year ended 31 August 2004

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	25% reducing balance
---------------------	----------------------

Stocks

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

Deferred taxation

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

2 Operating profit	2004	2003
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	992	-

Operating Profit/ (Loss)

The operating profit is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	992	980
Directors emoluments and other benefits	4,615	18,000

3 Interest payable	2004	2003
	£	£
Interest payable	65	2,977

Scandalous Music Limited
Notes to the Accounts
for the year ended 31 August 2004

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 September 2003	4,762
Additions	706
At 31 August 2004	<u>5,468</u>
Depreciation	
At 1 September 2003	1,501
Charge for the year	992
At 31 August 2004	<u>2,493</u>
Net book value	
At 31 August 2004	<u>2,975</u>
At 31 August 2003	<u>3,261</u>

5 Debtors

	2004 £	2003 £
Trade debtors	11,886	11,886
Other debtors	-	4,999
	<u>11,886</u>	<u>16,885</u>

6 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	46,069	36,106
Other taxes and social security costs	2,564	6,006
Other creditors	5,950	6,402
	<u>54,583</u>	<u>48,514</u>

7 Share capital

	2004 £	2003 £
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2004 No	2003 No
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Scandalous Music Limited
Notes to the Accounts
for the year ended 31 August 2004

8 Profit and loss account

	2004	2003
	£	£
At 1 September	(1,255)	(757)
Loss for the year	(1,836)	(498)
At 31 August	<u>(3,091)</u>	<u>(1,255)</u>

8 Transactions with the director

	2004	2003
	£	£
Amount owing to/ (by) the director	<u>588</u>	<u>(4,999)</u>

This amount is interest free and is repayable on demand.

**Scandalous Music Limited
Chartered Accountants' Report**

**Chartered Accountants' Report to the Board of Directors
on the unaudited accounts of Scandalous Music Limited
for the year ended 31 August 2004**

In accordance with the engagement letter dated 14 March 2006, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the accounts of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

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

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

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

.....
Jenkins & Co
Chartered Accountants

86 Mildred Avenue
Watford
Herts
WD18 7DX

Date:

Scandalous Music Limited
Profit and Loss Account
for the year ended 31 August 2004
for the information of the director only

	2004 £	2003 £
Sales	73,986	69,593
Cost of sales	(51,379)	(25,703)
Gross profit	<u>22,607</u>	<u>43,890</u>
Administrative expenses	(24,378)	(41,411)
Operating (loss)/profit	<u>(1,771)</u>	<u>2,479</u>
Interest payable	(65)	(2,977)
Loss before tax	<u>(1,836)</u>	<u>(498)</u>

Scandalous Music Limited
Schedule to the Profit and Loss Account
for the year ended 31 August 2004
for the information of the director only

	2004 £	2003 £
Sales		
• Sales	<u>73,986</u>	<u>69,593</u>
Cost of sales		
• Purchases	<u>51,379</u>	<u>25,703</u>
Administrative expenses		
Employee costs:		
Director's salary	4,615	18,000
Employer's NI	1,901	1,634
Travel and subsistence	165	1,814
Motor expenses	4,529	2,538
Entertaining	<u>2,121</u>	<u>2,457</u>
	13,331	26,443
Premises costs:		
Rent	<u>2,136</u>	<u>1,872</u>
	2,136	1,872
General administrative expenses:		
Telephone and fax	4,957	2,643
Stationery and printing	168	429
Bank charges	342	3,862
Insurance	645	-
Repairs and maintenance	760	241
Depreciation	992	980
Sundry expenses	<u>297</u>	<u>1,078</u>
	8,161	9,233
Legal and professional costs:		
Accountancy fees	<u>750</u>	<u>3,863</u>
	750	3,863
	<u>24,378</u>	<u>41,411</u>