



**C2W Music Ltd.
Report To The Shareholders
Nine Months Ending September 30th, 2012**

Introduction:

The Board of Directors of C2W Music Limited (the “Company”) is pleased to announce the unaudited results for the third quarter and nine months ended September 30th, 2012. The Company was listed on the Junior Market of the Jamaica Stock Exchange on May 29, 2012. The listing facilitates the Company’s plans to seek, develop, market and collect revenues of the creative talents of Caribbean songwriters globally. We gained access to the funds raised in June 2012. Our business plan seeks to create a return on investment for our investors through the creation of copyrights. To date, we have created and/or acquired over 650 copyrights, which exceeds our projections, in the area of “copyright creation”. Although some exploitation of such copyrights have taken place with numerous songs slated for release on artist’s records, on TV, in film and in advertising, the collection of these royalties cannot occur until such time that the actual releases happen. Most of the songs are slated for early 2013 releases, which would mean the Company would start seeing pipeline and/or actual royalties by the second quarter of 2013. We continue to be groundbreaking in all of our initiatives and global partnerships.

Performance:

The Company reported a net loss of US\$0.3 million and US\$0.7 million for the third quarter and nine months ended September 30, 2012 respectively, this is largely attributable to the fact that the Company’s operation is still at the infancy stage.

For the third quarter and nine months period ended September 30, 2012 revenues were earned from performance and synchronization royalties of US\$1,544. The Company’s revenue stream is expected to improve over the next twelve (12) months period ending December 31, 2013 mainly due to the releases of already exploited songs and the BMG Chrysalis sub-publishing partnership.

C2W Music Limited

1 Ardenne Road, Kingston 10, Jamaica, West Indies

contact@c2wmusic.com

Operating expenses were US\$0.3 million and US\$0.8 million respectively for the third quarter and nine months ended September 30, 2012. Operating expenses comprise song writing camp costs, administrative expenses and initial public offering expenses.

Total assets at September 30, 2012 amounts to US\$0.8 million, while total current liabilities amounts to US\$0.06 million. Shareholders' equity at September 30, 2012 stood at approximately US\$1.5 million.

Operation:

We have successfully raised US\$1.5 million. Our operational costs are on track as per business plan. We have contracted consultants that handle administration (collection of royalties), synchronization of copyrights (TV, film and advertising), accounting, social media, song exploitation and publicity & promotions. We are operational with global tracking, administration and exploitation software, copyright data-basing software and other industry software to properly run the company successfully. We continue to create world-class copyrights via songwriting camps. We have secured a head office location at 1 Ardenne Road, Kingston 10, Jamaica, West Indies, with visible signage for the Company.

Strategy& Outlook:

The Company publishes six songwriters signed to exclusive songwriting agreements, and we are working aggressively to increase this number in the near future. Over the contracted period of the next 3-5 years (depending on songwriter agreement), we will own all the copyrights and revenue share (for life of copyright) in all songs created by these songwriters within the contracted period. These songwriters are world-class talents and we are extremely proud to contribute in their further development and taking their careers from the Caribbean to the World. We have also contracted over 10 songwriters over the Caribbean region, to supply "one-off" copyrights for us in which we globally co-own, control and share in revenue. These songwriters are not exclusive to the Company, but deliver marketable single-song copyrights to us on a regular basis. The Company via our songwriting camps, back catalogue of some songwriters, and "one off" songwriters, we currently own a growing collection of over 650 copyrights and growing rapidly. Some of these songs are currently released and/or contracted for early 2013 releases with major artists, TV, film, advertising and digital games such as Apple's Tap Tap Revenge.

The Company is now proud to announce the signing of a landmark 3-year sub-publishing agreement with publishing giant, BMG Chrysalis. BMG Chrysalis is one of the world's largest music publishers, owning the rights to hundreds of thousands of songs across the globe. Under the deal, the Company will act as the Caribbean, including English and non-English speaking countries, sub-publisher for BMG Chrysalis and all of its catalogues, songs and songwriters. Specifically, the Company will collect 100 per cent of BMG Chrysalis's royalties from all potential revenue streams, from which we will be paid a 10 per cent fee. Additionally, the Company will negotiate and close deals with any entity wanting to use any of catalogued songs for any use whatsoever, including cover songs, movie soundtracks, television shows and advertisements.

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This deal will prove to increase our revenue potential of the Company, as this sort of potential was never forecasted in our original business plan.

In Conclusion:

The Company, it's staff, contractors, Directors of the Board and Mentor would like to continue to thank all of our Shareholders for their visionary efforts and believing in an initiative as groundbreaking as this one. We are proud to be the first start-up company on the Jamaica Stock Exchange (Junior Market). We are also proud to be the first intellectual property company to attract this level of interest, investment and media attention. We are paving the way for others to follow, we are drawing global attention to the Caribbean and it's content creators, and we are changing the way business is done in the development, marketing, exploitation, protection and revenue collection of Caribbean copyright creators.

Thank you very much for your continued support.

Yours Truly,



Ivan Berry
CEO
C2W Music Ltd.

C2W Music Limited

1 Ardenne Road, Kingston 10, Jamaica, West Indies

contact@c2wmusic.com

C2W MUSIC LIMITED

MANAGEMENT REPORT

NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

**C2W MUSIC LIMITED
MANAGEMENT REPORT
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012**

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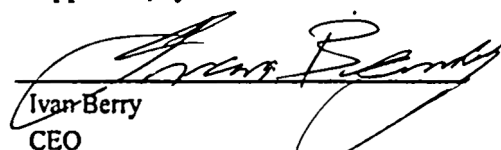
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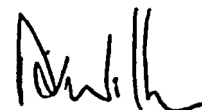
C2W MUSIC LIMITED
STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT SEPTEMBER 30, 2012

	<u>Notes</u>	Unaudited Nine (9) months September 30, 2012 <u>US\$</u>	Unaudited Nine (9) months September 30, 2011 <u>US\$</u>	Audited November 24 to December 31, 2011 <u>US\$</u>
ASSETS				
Non-Current assets				
Signage, office and computer equipment	3	31,650	-	-
		<u>31,650</u>	-	-
Current assets				
Prepaid expenses and other receivable		19,515	-	5,509
Advances to songwriter	4	35,998	-	-
Cash and cash equivalents	5	689,059	-	4,987
Total current assets		<u>744,572</u>	-	<u>10,496</u>
Total assets		<u>776,222</u>	-	<u>10,496</u>
EQUITY & LIABILITIES				
Equity				
Issued share capital	6	1,477,518	-	5,814
Accumulated deficit		<u>(757,756)</u>	-	<u>(45,504)</u>
Total equity		<u>719,762</u>	-	<u>(39,690)</u>
Current liabilities				
Trade payables and accruals	7	56,460	-	2,750
Related party advances	8	-	-	47,436
Total current liabilities		<u>56,460</u>	-	<u>50,186</u>
Total equity and liabilities		<u>776,222</u>	-	<u>10,496</u>

*Restated

Approved, by the Board of Directors and signed on its behalf by:


Ivan Berry
CEO


Derek Wilkie
Director

C2W MUSIC LIMITED
STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Nine (9) months	Nine (9) months	For the period
	September 30,	September 30,	ended	ended	November 24, to
	2012	2011	September 30,	September 30,	December 31,
	US\$	US\$	2012	2011	2011
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Revenues:					
Performance royalty	1,502	-	1,502	-	-
Synchronization royalty	42	-	42	-	-
Total revenues	<u>1,544</u>	<u>-</u>	<u>1,544</u>	<u>-</u>	<u>-</u>
Less expenses:					
Initial public offering expenses	9 1,032	-	191,931	-	18,858
Song writing camps and development expenses	10 111,568	-	331,654	-	25,000 *
Administrative expenses	11 155,052	-	242,088	-	1,656
	<u>267,652</u>	<u>-</u>	<u>765,673</u>	<u>-</u>	<u>45,514 *</u>
Operating loss	(266,108)	-	(764,129)	-	(45,514) *
Finance and policy costs	12 21,864	-	34,400	-	-
Loss for the period	(287,972)	-	(798,528)	-	(45,514) *
Other income:					
Sponsorship income	-	-	81,898	-	-
Interest income	3,552	-	4,379	-	10
	<u>3,552</u>	<u>-</u>	<u>86,277</u>	<u>-</u>	<u>10</u>
Net loss, being total comprehensive expense					
for the period	<u>(284,420)</u>	<u>-</u>	<u>(712,252)</u>	<u>-</u>	<u>(45,504) *</u>
Loss per share attributable to the equity holders of the Company:					*Restated
Number of shares	400,000,000	-	400,000,000	-	300,000,000
Loss per stock unit:	<u>(0.07)cents</u>	<u>-</u>	<u>(0.18)cents</u>	<u>-</u>	<u>(0.02)cents</u>

C2W MUSIC LIMITED
STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

	Share Capital <u>US\$</u>	Accumulated deficit <u>US\$</u>	Total <u>US\$</u>
Audited balances at December 31, 2011	5,814	(45,504) *	(39,690) *
Additional paid in capital	1,471,704	-	1,471,704
Net loss, being total comprehensive expense for the period	<u>-</u>	<u>(712,252)</u>	<u>(712,252)</u>
Unaudited balances at September 30, 2012	<u>1,477,518</u>	<u>(757,756)</u>	<u>719,762</u>
			*Restated

C2W MUSIC LIMITED
STATEMENT OF CASH FLOWS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

	Unaudited Nine (9) months ended September 30, 2012 US\$	Unaudited Nine (9) months ended September 30, 2011 US\$	Audited For the period November 24 to December 31, 2011 US\$
Net loss for the period	(712,252)	-	(45,504) *
Adjustments to reconcile loss for the year to net cash provided by / (used in) operating activities:			
Interest expense	2,852	-	-
Interest income	(4,379)	-	(10)
Operating loss before changes in working capital	(713,779)	-	(45,514)
Increase in operating assets:			
Prepaid expenses and other receivable	(14,006)	-	(5,509) *
Advances to songwriter	(35,998)	-	-
(Decrease) / increase in operating liabilities:			
Related party advances	(47,436)	-	47,436
Accounts payable	53,710	-	2,750
Net cash used in operating activities	(757,509)	-	(837) *
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of signage, office and computer equipment	(31,650)	-	-
Interest received	4,379	-	10
Net cash (used in) / provided by investing activities	(27,271)	-	10
CASH FLOWS FROM FINANCING ACTIVITIES			
Additional paid in capital	1,471,704	-	-
Interest expense	(2,852)	-	-
Shareholder's advance	-	-	5,814
Net cash provided by financing activities	1,468,852	-	5,814
NET CHANGE IN CASH AND CASH EQUIVALENTS	684,072	-	4,987
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,987	-	-
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	689,059	-	4,987

*-Restated

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE(9) MONTHS ENDED SEPTEMBER 30, 2012

1. IDENTIFICATION

C2W Music Limited (the "Company") is incorporated in Jamaica, under the Jamaican Companies Act. The Company is domiciled in Jamaica, with its registered office at 1 Ardenne Road, Kingston 10, Jamaica. The Company is listed on the Jamaica Stock Exchange Junior Market.

The Company was established for the purpose of obtaining intellectual property rights, namely licensing and publication rights to songs developed by Caribbean songwriters.

The principal activities of the Company involve developing the talents of Caribbean songwriters, acquiring licensing rights to their compositions and promoting the commercial use of the compositions.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The interim financial statements have been prepared under the historical cost basis and are expressed in United States of America dollars.

The Company's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2004 of Jamaica.

The interim financial report is to be read in conjunction with the audited financial statements for the period ended December 31, 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended December 31, 2011.

The significant accounting policies adopted are consistent with those of the audited financial statement for the period ended December 31, 2011.

(b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE(9) MONTHS ENDED SEPTEMBER 30, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Critical judgements in applying the Company's accounting policies

Management believe there were no judgements made in the process of applying the Company's accounting policies that had a significant effect on the amounts recognized in the financial statements.

(ii) Key sources of estimation uncertainty

Management believe there were no key assumptions concerning the future, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise highly liquid bank deposits held with financial institutions, with an original maturity of three months or less from the date of acquisition and are held to meet cash requirements rather than for investment purposes.

(d) Other receivables

These receivables are stated at amortized cost.

Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of comprehensive income when there is objective evidence that the asset is impaired (that is, the outstanding amounts will not be paid in accordance with the original contract terms).

(e) Trade and other payables

Trade and other payables are stated at amortized cost.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE(9) MONTHS ENDED SEPTEMBER 30, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Contingent assets and liabilities

Contingent assets and liabilities, pursuant to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” are defined as a possible asset or obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities are obligations which are not likely to lead to an outflow of resources embodying economic benefits or for which it is not possible to measure the amount of the obligation with sufficient reliability. Pursuant to IAS 37, contingent liabilities are not disclosed in the statement of financial position. They are, however, disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are rights which are likely to lead to an inflow of resources embodying economic benefits; but for which it is not possible to measure the amount of the right with sufficient reliability. Contingent assets are not shown in the statement of financial position. However, they are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

(g) Related parties

A party is related to the Company if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Company (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the Company; or
 - has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

Related party transactions and balances are recognized and disclosed in the financial statements. Transactions with related parties are recorded in accordance with the normal policies of the Company at transaction dates.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE(9) MONTHS ENDED SEPTEMBER 30, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Foreign currencies

Transactions in currencies other than the United States of America Dollars, the Company's functional currency, are recognized at the rates of exchange prevailing on the dates of the transactions. The United States of America dollar is deemed the functional currency as projected revenues to be charged by the Company are linked to the value of the United States of America dollar in relation to the Jamaican dollar and the majority of its liabilities and other expenditure are denominated in this currency. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss for the period in which they arise.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue is recognized when the significant risks and rewards of ownership of the services have passed to the buyer, i.e. on dispatch, and can be reliably measured.

Royalty and license income: revenue is recognized based on the contractual arrangements entered into with third parties.

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE(9) MONTHS ENDED SEPTEMBER 30, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(k) Signage, office and computer equipment

Equipment and signage held for administrative purposes are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Company and its cost can be reliably measured.

The cost of day-to-day servicing of equipment is recognized in the statement of comprehensive income as incurred.

Equipment and signage are depreciated on the straight line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Signage	10%
Office equipment	10%
Computer equipment	33 1/3%
Computer software	33 1/3%

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

3. SIGNAGE, OFFICE AND COMPUTER EQUIPMENT

	Signage \$	Computer equipment \$	Computer software \$	Office equipment \$	Total \$
At Cost/Valuation					
Balance at the beginning of the period	-	-	-	-	-
Additions	<u>1,237</u>	<u>12,234</u>	<u>17,940</u>	<u>745</u>	<u>32,156</u>
End of year	<u>1,237</u>	<u>12,234</u>	<u>17,940</u>	<u>745</u>	<u>32,156</u>
Accumulated Depreciation					
Balance at the beginning of the period	-	-	-	-	-
Charge for the period	<u>124</u>	<u>92</u>	<u>216</u>	<u>74</u>	<u>506</u>
	<u>124</u>	<u>92</u>	<u>216</u>	<u>74</u>	<u>506</u>
Balance at the end of the period	<u><u>1,113</u></u>	<u><u>12,142</u></u>	<u><u>17,724</u></u>	<u><u>671</u></u>	<u><u>31,650</u></u>

4. ADVANCES TO SONGWRITER

	Unaudited Nine (9) months ended September 30, 2012	Unaudited Nine (9) months ended September 30, 2011	Audited For the period November 24, to December 31, 2011
Advances	<u><u>35,998</u></u>	<u><u>-</u></u>	<u><u>-</u></u> *
			*Restated

This represents advances to songwriters to be recovered from earnings in future periods.

Advances to songwriters are recoverable but not recoupable and are treated as current assets only in cases of proven earnings.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

5. CASH AND CASH EQUIVALENTS

	Unaudited Nine (9) months ended September 30, 2012 US\$	Unaudited Nine (9) months ended September 30, 2011 US\$	Audited For the period November 24, to December 31, 2011 US\$
(i) Reverse repurchase agreement (REPO)	683,934	-	4,987
Un-deposited funds	<u>5,125</u>	<u>-</u>	<u>-</u>
	<u>689,059</u>	<u>-</u>	<u>4,987</u>

(i) This represents short-term investment held at Stocks and Securities Ltd.

6. ISSUED SHARE CAPITAL

	Unaudited Nine (9) months ended September 30, 2012 US\$	Unaudited Nine (9) months ended September 30, 2011 US\$	Audited For the period November 24, to December 31, 2011 US\$
Authorized capital: 1,000,000,000 Ordinary shares			
Issued and fully paid: (2011: 400,000,000 ;) (2010: 300,000,000) ordinary shares	<u>1,477,518</u>	<u>-</u>	<u>5,814</u>

The Company raised additional capital of JA\$129 million from its IPO on May 17, 2012.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE(9) MONTHS ENDED SEPTEMBER 30, 2012

7. TRADE PAYABLES AND ACCRUALS

	Unaudited Nine (9) months ended September 30, 2012 US\$	Unaudited Nine (9) months ended September 30, 2011 US\$	Audited For the period November 24, to December 31, 2011 US\$
Accrued audit fees	9,413	-	2,750
Accrued accounting fees	2,680	-	-
Withholding taxes due to Inland Revenue Department	<u>44,367</u>	<u>-</u>	<u>-</u>
	<u>56,460</u>	<u>-</u>	<u>2,750</u>

8. RELATED PARTY ADVANCES

	Unaudited Nine (9) months ended September 30, 2012 US\$	Unaudited Nine (9) months ended September 30, 2011 US\$	Audited For the period November 24, to December 31, 2011 US\$
(i) Shareholder's advance	-	-	7,250
(ii) Advances from other related parties	<u>-</u>	<u>-</u>	<u>40,186</u>
	<u>-</u>	<u>-</u>	<u>47,436</u>

- (i) This amount was advanced to the Company on December 8, 2011 by way of non-interest bearing demand loan. This balance was repaid in June 2012.
- (ii) These amounts were advanced to the Company by way of non-interest bearing demand loan in two parts on August 3, 2011 and October 11, 2011. This balance was repaid during the period ended September 30, 2012.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

9. INITIAL PUBLIC OFFERING EXPENSES

	Unaudited	Unaudited	Audited
	Nine (9)	Nine (9) months	For the period
	months ended	ended	November 24,
	September 30,	September 30,	to
	2012	2011	December 31,
	US\$	US\$	2011
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Legal fees	65,858	-	-
Financial advisory and brokerage fees	112,284	-	-
Professional fees	-	-	16,108
Audit and consulting fees	13,789	-	2,750
	<u>191,931</u>	<u>-</u>	<u>18,858</u>

10. SONGWRITING CAMPS & DEVELOPMENT EXPENSES

	Unaudited	Unaudited	Audited
	Nine (9)	Nine (9) months	For the period
	months ended	ended	November 24,
	September 30,	September 30,	to
	2012	2011	December 31,
	US\$	US\$	2011
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Travel expenses	139,510	-	-
Accommodation	168,703	-	-
Advances to songwriters	11,208	-	25,000 *
Mixing & sound system	8,670	-	-
Photography and videography	1,663	-	-
Equipment rental	1,900	-	-
	<u>331,654</u>	<u>-</u>	<u>25,000</u>

*Restated

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

11. ADMINISTRATIVE EXPENSES

	Unaudited Nine (9) months ended September 30, 2012 US\$	Unaudited Nine (9) months ended September 30, 2011 US\$	Audited For the period November 24, to December 31, 2011 US\$
Accounting fees	16,077	-	1,175
Audit fees	9,480	-	-
Managerial travel and accommodation	26,421	-	-
Insurance expense	1,670	-	371
Company secretarial services	1,883	-	-
Contracted services	108,333	-	-
Website development & maintenance	17,167	-	-
Other expenses	-	-	110
Office expenses	5,496	-	-
Professional fees	4,921	-	-
Advertising and promotion	42,619	-	-
SSL wire and service charges	8,021	-	-
	<u>242,088</u>	<u>-</u>	<u>1,656</u>

12. FINANCE AND POLICY COSTS

	Unaudited Nine (9) months ended September 30, 2012 US\$	Unaudited Nine (9) months ended September 30, 2011 US\$	Audited For the period November 24, to December 31, 2011 US\$
Loan interest	2,852	-	-
Depreciation expense	506	-	-
Translation loss on foreign currency	31,042	-	-
	<u>34,400</u>	<u>-</u>	<u>-</u>

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
NINE (9) MONTHS ENDED SEPTEMBER 30, 2012

13. CONTINGENT ASSET

During the current and prior period, the Company secured its rights to royalties from its current and future catalogue of songs by entering into three and five year contracts, with new and existing song writers.

The contracts detail the terms of agreement for the acquisition of all rights to collect revenues now known or thereafter to become known; for a minimum of twelve (12) to eighteen (18) compositions, to be written within the contract term.

The value of assets to be recognized in connection with these contracts will depend on both artiste development and sales volumes in future periods. No assets have been recognized in connection with these contracts to date.

Total expenditure in connection with the contingent asset is estimated at an amount of US\$311,091 (2011: US\$25,000).

Details of expenditure included in the statement of comprehensive income are as follows:

	Advances to songwriters US\$	Songwriting camp costs US\$	Total US\$
Balance at the beginning of the year	25,000	-	25,000
Additions	<u>11,208</u>	<u>299,882</u>	<u>311,090</u>
Balance at the end of the period	<u>36,208</u>	<u>299,882</u>	<u>336,090</u>